City of Irving, Texas

FISCAL YEAR 2016-17

Comprehensive Annual Financial Report

for the Fiscal Year ended September 30, 2017

IRVING
TEXAS

CITY OF IRVING, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2017

Prepared by the
City of Irving, Texas
Financial Services Department

CITY OF IRVING, TEXAS

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IRVING
TEXAS

January 26, 2018

Honorable Mayor and City Council
City of Irving
Irving, Texas

Dear Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Irving, Texas, for the year ended September 30, 2017, is submitted herewith. Responsibility for the accuracy of the data, as well as the completeness and fairness of its presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of city operations on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the CAFR. The city's MD&A can be found on **Pages 5-18**, immediately following the independent auditor's report.

CITY OF IRVING PROFILE

Ideally located between Dallas and Fort Worth, Irving is a city of enormous opportunity. Irving was founded in 1903 during the height of the railroad age. Julius Otto Schulze, a field engineer in charge of a survey crew, and Otis Brown, a rod man, learned that a 32-mile stretch of railroad was being laid from Fort Worth to Dallas. The pair purchased 80 acres of land that became the original town site of Irving. After deeding a land parcel to the railroad, the two men drew up the town plat on a wagon cloth, currently preserved in city archives.

Just as the city's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the outstanding multimodal transportation systems that include an extensive highway system, commuter and freight rail lines, and the Dallas/Fort Worth International Airport, one of the busiest airports in the world located at the city's western boundary. The Dallas Area Rapid Transit (DART) Orange Line, completed in August 2014, provides a direct link between Dallas/Fort Worth International Airport and downtown Dallas through Irving. The Orange Line includes stations at two major educational institutions and the Urban Center in Las Colinas, which stands as a major employment hub. Dallas Love Field is located 10 miles to the east of the city. In 2015, J.D. Power and Associates ranked Love Field the highest in traveler satisfaction (tied with Southwest Florida International Airport) in the medium airport

category. On October 13, 2014, the Wright Amendment was lifted, which now allows non-stop flights from Dallas Love Field. The 1979 Wright Amendment originally limited most non-stop flights from Love Field to destinations within Texas and neighboring states. There is unrivaled access to and from the Dallas/Fort Worth Metroplex, North America and the world.

More than 84,000 households and 234,710 residents call Irving home. Irving's Las Colinas development area is home to the largest office park in North Texas. With more than 26 million square feet of office space and 8,500 businesses, Irving is a corporate powerhouse. The city's continued focus on economic development has made Irving a leading national and international business center. As a frontrunner in the North Texas area for attracting and retaining top corporations, Irving boasts 52 Fortune 500 companies with a headquarters or corporate presence in the city, including iconic companies such as ExxonMobil, Kimberly-Clark, and Fluor. Significant non-profit operations like Big Brothers Big Sisters, and Mothers Against Drunk Driving also call Irving home.

The city operates under the Council-Manager form of government. A Mayor and eight council members are responsible for enacting ordinances and resolutions establishing policy and governance of the city. The City Manager is the Chief Executive Officer and is responsible for carrying out policies approved by the City Council.

ECONOMIC CONDITIONS AND OUTLOOK

Irving covers 67.6 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived Irving locations include Las Colinas, DFW Freeport and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and healthcare facilities. To encourage development in Irving, six Tax Increment Finance (TIF) Districts have been established to help spur growth in undeveloped and redeveloping areas.

Irving is the nation's 91st largest, Texas' 13th largest and Dallas County's third-largest city, according to the U.S. Census Bureau. Five major highways traverse the city, including Interstate Highway Loop 635, State Highways 161, 114, and 183, and President George Bush Turnpike.

The city's General Obligation Bonds, Series 2017 received the rating of "AAA" from Standard & Poor's and "Aaa" from Moody's Investors Service.

Economic Development Strategic Plan

In order to respond to the highly competitive economic development environment, Economic Development staff worked with the Greater Irving-Las Colinas Chamber of Commerce, Irving Convention and Visitors Bureau, other outside agencies, and TIP Strategies, a consulting firm that assists cities with planning economic development initiatives, to assist in the development of a five-year Economic Development Strategic Plan. The plan was also developed with input from local business and community leaders. The plan was accepted by the City Council in FY 2016-17. It provides a roadmap for Irving's economic development program for the next five years. The action items in the plan will guide staff activities to advance the Irving economy for the next five years.

Economic Development

Efficient building permitting processes are key to sound economic development. Exceptionally efficient processes also create a competitive advantage for business expansions and relocations. Irving's multi-departmental plan review team is literally a world-class operation, exceeding national efficiency standards by completing new commercial plan reviews in less than six days compared with the leading national standard of over 25 days.

The city also promotes economic development by providing sales tax and property tax rebates as incentives when necessary. For FY 2017-18, the total amount of payments is projected to be $12.25 million, a $65,000 decrease from the prior year. The amount of incentive is determined by the business delivering increases in taxable value, revenues generated, or job growth specified in the individual agreements. The City of Irving continues to focus on projects that will facilitate economic development.

Pioneer-Verizon/Hidden Ridge Development

Pioneer Natural Resources is expanding their presence in Irving by developing a $350 million office campus on a 37-acre site as part of Verizon's Hidden Ridge development. Adjacent to Verizon's existing regional office, Hidden Ridge will be a mixed-use development with a new DART commuter rail station connecting Dallas/Fort Worth International Airport to downtown Dallas. The Hidden Ridge project will include offices, retail shops, apartments, town homes, open space, and a hotel. The development will have room for 10,000 employees and has a projected value of over $1 billion when completed.

Planned Unit Development #6/Stadium Site

Planned Unit Development (PUD) #6 zoning was approved in 2015, establishing a new Transit Oriented Development District on about 1,000 acres surrounding the former stadium site. In 2016, the city created Tax Increment Reinvestment Zone (TIRZ) #6 with the same boundaries as the zoning to provide the necessary financial tools to assist in redevelopment.

The development will be served by two DART light rail stations. The first station is complete, and serves the University of Dallas. In July 2017, the city approved an agreement with TxDOT to build a $45 million signature bridge in the center of the district, connecting the former stadium site to both SH 114 and the second DART light rail station, which will be completed with future development on the site. The bridge is critical for redevelopment of the approximately 218 acres north of SH 114, as it is the primary vehicular access for this area. The bridge is slated to be completed in 2019.

The district will yield about 400 acres of developable property that will be a primary growth area for the City of Irving in the years to come.

Water Street

The Water Street Development, located in the center of the Las Colinas Urban Center, is a mixed-use project that includes luxury apartments and more than 60,000 square feet of retail shops and restaurants. The development is projected to add over $42 million in taxable value and may be eligible for a $14.4 million reimbursement from Tax Increment Financing (TIF) project funds. The project will include a plaza for special events and public pathways with access to Lake Carolyn.

Convention Center Hotel

Construction began in 2017 on a Westin branded Convention Center Headquarters hotel. This is a key component of the city's Convention Center district, which includes the Toyota Music Factory and the successful Irving Convention Center. A Master Development Agreement was approved by the City Council

in June 2016. The hotel is expected to include 359 rooms and approximately 16,000 square feet of meeting space (including a 10,000-square-foot ballroom). The hotel will be operated in cooperation with the Convention Center, with a block of rooms set aside for convention group sales, and meeting space agreements that allow the hotel operator to use available space at the Convention Center, and vice versa as needed. Concurrently, the city is constructing an 840-space parking garage for the Convention Center, with 275 spaces leased for use by the hotel.

Toyota Music Factory

In 2016, construction began on the Toyota Music Factory. This 18-acre complex is adjacent to the Irving Convention Center and the Convention Center hotel. The venue includes an 8,000-seat amphitheater, restaurants, additional entertainment venues, an office tower, and retail space. The entertainment complex will attract patrons from across the North Texas region, as well as those in town attending conferences. Additionally, it will provide Irving residents and the business community a place to visit for dining and entertainment. The first performance by ZZ Top was held on September 9, 2017 with new restaurants and shops opening throughout the remainder of the calendar year.

Other significant economic development activity in 2017 includes:

- **Allstate:** The insurance company with large operations in Irving (1,400 workers currently), will add 550 jobs at an average salary of $63,000 and invest $5 million at their facility.
- **Atos:** An information technology firm based in Paris, France, established a 90,000-square-foot operation in a new building on Regent Boulevard with 500 new jobs at an average salary of $70,000. The development is estimated to increase real property tax value by $4 million and business personal property tax value by $3 million.
- **Oki Data Americas:** A printing technology company based in Japan will establish its U.S. headquarters in Irving, occupying 15,000 square feet on Freeport Parkway. It will employ a staff of 104 with an average salary of $86,000. The business will add $1.17 million in real property tax value and $2 million in business personal property tax value.
- **Trane Worldwide Logistics:** A full-service logistics company will build a 325,000-square-foot industrial facility on Valley View Lane in Irving. The company has committed to hire 100 employees at an average salary of $60,000 and add $11 million in combined real and business personal property tax value.
- **QTS:** The company that operates a major data center in Irving will expand operations and add $45 million in combined real and business personal property tax value at its facility on Longhorn Drive.
- **Cognizant Technology Solutions:** A provider of information technology consulting services will occupy a 93,000-square-foot building and hire 1,090 employees at an average salary of $70,000. The company will add $7.5 million in new real property tax value and $2.8 million in new business personal property tax value.
- **Gartner Inc.:** An information technology research and advisory firm will occupy 150,000 square feet of office space and add 800 employees at an average salary of $75,000. The company will invest $7.3 million in real property and add new business personal property tax value of $1.5 million.
- **Pei Wei:** The national restaurant chain plans to relocate its headquarters to Irving to 30,000 square feet of office space. It will bring 35 employees to the city at an average salary of $125,000 and add $500,000 in new real property tax value and $250,000 in new business personal property tax value.

MAJOR INITIATIVES

Health Insurance

The city has been proactive in managing health costs and improving employee wellness. In the past two years, the city has made significant changes to the health insurance program to reduce costs and make the city's plans comparable to other benchmark entities through premium increases and plan design changes. The impact of these changes continues to be seen as 12-month average costs per employee for both medical and prescription claims continue to decrease.

For FY 2017-18, no changes in plan design or healthcare premiums was adopted. A $500 contribution to Health Savings Accounts for employees choosing the high-deductible health insurance plan is included in the adopted budget.

Two new services are being added to the city's health insurance plans:

- The personal advocacy tool will provide employees and their enrolled dependents a service in which they may call to have health care services, procedures, etc., reviewed to ensure that the most cost effective products and/or services are being obtained. This service will also review billing concerns to ensure that the charges are correct.
- The open enrollment tool will help employees make the best decision on which health insurance plans to purchase based on their individual needs and budgets. In addition, this tool will ensure that employees' insurance elections are fed directly into the payroll system and into the insurance companies' systems. This will reduce the risk of human error when the HR staff makes employees' changes to plan coverages.

Replacement of ERP Software and Related IT Improvements

The FY 2017-18 adopted budget provides funding for improvements identified in the first year of the five-year IT Strategic Plan. The five-year plan addresses critical needs for replacement and upgrade of technology systems and infrastructure that support the needs of the departments. The largest initiative in this first strategic period is the replacement of the city's 23-year-old financial enterprise resource planning (ERP) application that is estimated to take three years to implement. The ERP software encompasses accounting, accounts payable, budgeting, payroll, human resources and other management systems. Additional improvements are to replace an outgrown utility billing software system, implementation of basic network capacity increases at remote city buildings and internet services, as well as a variety of improvements to provide resiliency to the support of critical systems.

Parks and Recreation Master Plan

The Parks, Recreation, and Open Space Master Plan was adopted in 1996 and last updated in 2000. The city's 2016 Imagine Irving Comprehensive Plan identified resident priorities on upgrading and improving parks and recreation facilities and amenities as well as future development. The comprehensive plan sets a general baseline in which a robust Parks Master Plan can then move forward. The Master Plan will provide strong community engagement in defining the direction the department will move and assist Council in setting goals and objectives for future budgets. As an added benefit, developmental funding is available through the Texas Parks and Wildlife Department when a Master Plan is current.

New Positions

The FY 2017-18 adopted budget includes a total of 15 new full-time positions across all funds. These positions address critical needs for the various departments and can be attributed to the growth of the city and the increasing demand for city services.

Twin Wells Golf Course
The city is moving forward with the renovation of Twin Wells, its municipal golf course. Phase 1 of the renovations includes the installation of a new turf grass irrigation system for the 18-hole course and driving range, and the replacement of the Trinity River pumping facility, which allows for the reuse of water for irrigation. At the completion of Phase 1, new turf grass will be installed. The total project budget is not to exceed $5 million. The course was closed in October 2016 to begin improvements. Reopening is anticipated in late 2018.

Drainage Assessment
In order to prepare a long-term drainage funding plan, the CIP Department will complete a drainage assessment in FY 2017-18. This assessment will include analysis of channel conditions, study of neighborhood and local flooding, and identification of necessary drainage improvements, including cost projection estimates and possible funding sources.

Analysis of Extending the Term of TIF #1
Tax Increment Reinvestment Zone 1 (TIF #1) was created by the City of Irving in 1998. The primary reason for the creation of the zone was to address the development disincentives of the Dallas County Utility and Reclamation District (DCURD) tax rate, which had continued to increase throughout the 1990s. The zone consists of approximately 3,390 acres of land and has boundaries that essentially mirror those of DCURD. The TIF #1 Project and Financing Plan was created to provide essential infrastructure intended to encourage development in the zone. TIF #1 has a term of 20 years and will expire December 31, 2018, unless extended by the Irving City Council. The city has hired an outside agency to review historical values and project future values in the zone to provide the TIF #1 Board and City Council with information necessary to determine the effect of extending the zone.

Municipal Energy Contract
Energy Procurement/Environmental Stewardship Staff is pursuing a three to five year energy contract for the City. Additionally we are exploring opportunities to incorporate a percentage of sustainable energy into our portfolio. This effort is being undertaken while balancing financial responsibility and environmental stewardship.

Irving Museum and Heritage Center
Design of both the building and the exhibits for the Irving Museum and Heritage Center are currently underway. The museum will include the city archives and will be located in a portion of the former Central Library building adjacent to City Hall. Once design is substantially complete, renovation of the building and preparation of the museum exhibits will begin, with completion of the project in 2018. A construction budget of $3 million has been set aside in the Museum Fund, and the allocation of $600,000 in fund balance from the Museum Fund will help cover operations and maintenance costs for future years. The Museum and Heritage Center, all other city museums, and the Arts Center have been reorganized under the Arts and Cultural Affairs management team to provide comprehensive management for Irving's cultural programs and facilities.

The Study: Irving's Innovation Center
The city has contracted with the Indigo Group to provide support and professional guidance to entrepreneurs from businesses, colleges, and professional organizations. The Study opened in May, 2017.

This entrepreneurial center features co-working space and private meeting rooms. It will provide a resource for small-business professionals looking to utilize the space periodically or on an extended basis.

There is no set blueprint for participants. Residents, professionals and students of all backgrounds can benefit from the center's programs and learning opportunities. The Study will serve as a valuable resource for those seeking professional development, such as women's and veterans' entrepreneur empowerment programs; training, certifications, and STEM programming; continued learning opportunities for adults; partnerships with corporate and academic institutions; and a digital database connecting job seekers with potential employers.

Irving Main Street Arts
The Irving Arts Center, in support of the Heritage Crossing Redevelopment Initiative, will repurpose a city-owned building on Main Street into a new programmed art gallery to promote the arts downtown and create new activity. Additionally, the city is in the process of creating an outdoor plaza adjacent to the Main Street Art Gallery for use not only by the gallery, but also residents as they visit and shop the downtown merchants.

Irving 360° Civic Academy
The civic academy is a program created and organized by the City of Irving to educate residents and members of the business community about city government. It is designed to encourage engagement and help to create a collaborative and inclusive government. The academy started in September 2017.

FINANCIAL INFORMATION

Discussion of Controls – The city's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. generally accepted accounting principles.

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. We believe the controls are appropriate for the level of risk and cost of control.

Information regarding general accounting policies can be found in the Notes to Basic Financial Statements beginning on **Page 33.**

OTHER INFORMATION

Independent Audit – An annual audit is required to be made of the financial statements of the City of Irving by an independent auditor. Weaver & Tidwell LLP was engaged to perform the audit for the fiscal year ended September 30, 2017; the audit opinion is included in this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irving for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. This was the 33rd consecutive year that the city has received this prestigious national award. To earn the Certificate of Achievement, the city published an easy-to-read and efficiently organized Comprehensive

Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The city believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for the 29th consecutive year for its annual appropriated budget dated October 1, 2016. To qualify for the Budget Award, the city's budget document was judged proficient in all categories.

Acknowledgements – Many people are responsible for the preparation of the report, and for the maintenance of the records upon which it is based. Appreciation is expressed to city employees throughout the organization, especially those staff members in Financial Services, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

Chris Hillman
City Manager

Jeff Litchfield, CPA
Chief Financial Officer

CITY OF IRVING, TEXAS

CITY COUNCIL

Richard Stopfer, Mayor

Allan Meagher, Mayor Pro-Tem

John Danish, Deputy Mayor Pro-Tem

Brad M. LaMorgese, Councilmember

Phil Riddle, Councilmember

Oscar Ward, Councilmember

David Palmer, Councilmember

Kyle Taylor, Councilmember

Dennis Webb, Councilmember

* * * * * * *

Chris Hillman, City Manager

Shanae Jennings, City Secretary

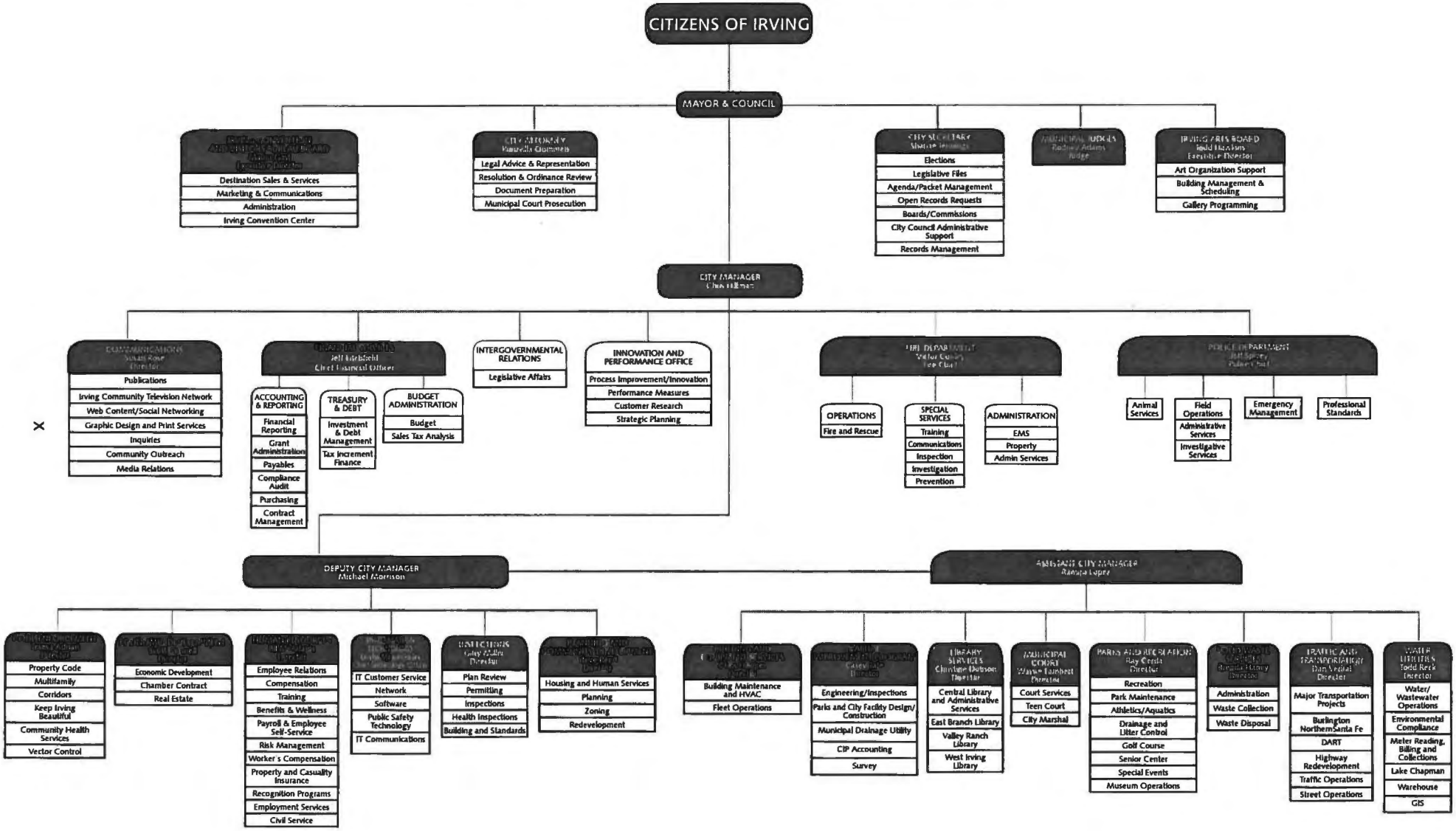
Kuruvilla Oommen, City Attorney

Jeff Litchfield, Chief Financial Officer

Regina H. Givens, Controller

Martin Avila, Accounting Manager

Organizational Chart



September 30, 2017

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irving

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO

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weaver
Assurance • Tax • Advisory

Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Irving, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Irving, Texas (the City) as of and for the year ended September 30, 2017, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedule-General Fund; Budgetary Comparison Schedule-TIF; Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions; Schedule of Funding Progress, and the notes to the required supplementary information on pages 5 through 18 and 87 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 26, 2018

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CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

(Unaudited)

Our discussion and analysis of the City of Irving's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements. We have also provided tables of comparative analyses of selected financial data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $825 million. Of this amount, $652 million (79%) represents the net investment in capital assets. Net position restricted for specific purposes totaled $141 million (17.1%). The remaining $32 million (3.9%) are unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by $57 million. Property tax revenues are higher over prior year by $11.6 million as a result of higher assessed property values in the current year; other significant revenue increase drivers were: sales taxes are higher by $2.7 million, building permit fees are higher by $700 thousand, and investment income is higher by $1.2 million. Water and sewer service charges are higher over prior year by $16 million primarily attributable to less stringent water restrictions in the current year as well as an increase of 7% water rates.
- The governmental funds reported combined fund balance of $290 million, an increase of $52 million in comparison with prior year. Approximately 21% of this amount ($60.7 million) is available for spending at the City's discretion (unassigned fund balance).
- The total outstanding long-term debt increased by $58 million primarily due to new debt issuances exceeding principal payments and debt refundings during the fiscal year.
- The Debt Service Fund fund balance was $31.7 million at year-end, which represents 72% of the annual debt service payments. Funds that are included in the Debt Service Fund can only be used for debt service.

UNDERSTANDING AND USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Irving's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

Features of the City of Irving's Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks.	Activities the City operates similar to private business, such as the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred outflows of resources and deferred inflows of resources information	All assets liabilities and deferred inflows and outflows of resources both financial and capital, and short-term and long-term	Current assets, liabilities and deferred inflows and outflows of resources that come due during the year or soon thereafter; no capital assets included	All assets liabilities, deferred inflows of resources and outflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; can include capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements are designed to provide the reader with a snapshot of the City of Irving's finances and activities as a whole. The statements are similar to those found in the annual reports of private-sector businesses.

The Statement of Net Position includes all of the City's assets, liabilities, deferred outflow of resources and deferred inflow of resources, using the accrual basis of accounting. The Statement of Activities accounts for all of the revenues and expenses for the year regardless of when cash is received or paid. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors, such as changes in the property tax base and the condition of the infrastructure (roads, water and sewer lines, and buildings), should also be considered in order to assess the overall health of the City of Irving. The City's overall financial position is continuing to improve.

The government-wide financial statements of the City of Irving are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as general government, police, fire, parks and recreation, community development, municipal court, animal services, library and public works. Property taxes, sales taxes, and gross receipts taxes finance most of these activities.
- Business-type activities – The City charges fees to customers to help cover the costs of providing water and sanitary sewer, solid waste and municipal drainage services.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationships (or differences) between them.

The City of Irving presents information separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service and TIF Fund, which are considered to be major funds. Information from the remaining governmental funds is combined into a single, aggregate presentation. Individual fund data is provided later in the Comprehensive Annual Financial Report.

Proprietary funds – Services for which the City charges customers for the services it provides – whether to outside customers or to other units of the City – are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the individual enterprise funds which are Water and Sanitary Sewer, Solid Waste and Municipal Drainage. All enterprise funds are considered major funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Garage and Equipment Replacement Fund, Computer Replacement Fund, and the Self-Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for its employees' Supplemental Benefit Plan and Voluntary Employee Beneficiary Association. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was $825 million as of September 30, 2017 as shown in Table 1. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position was $416 million. This information focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Note that only the unrestricted net position are available for future expenses.

Table 1

Net Position

(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 357	$ 300	$ 143	$ 126	$ 500	$ 426
Capital assets	755	717	509	491	1,264	1,208
Total assets	1,112	1,017	652	617	1,764	1,634
Total deferred outflow of resources	$ 72	$ 85	$ 11	$ 12	$ 83	$ 97
Non-current liabilities outstanding	748	691	228	223	976	914
Other liabilities	24	25	18	20	42	45
Total liabilities	$ 772	$ 716	$ 246	243	$ 1,018	$ 959
Total deferred inflow of resources	$ 3	3	1	1	4	4
Net Position						
Net investment in capital assets	314	307	338	312	652	619
Restricted	129	107	12	11	141	118
Unrestricted	(34)	(31)	66	62	32	31
Total net position	$ 409	$ 383	$ 416	$ 385	$ 825	$ 768

The largest portion of the City's net position (79%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. As the City uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (17.1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $32 million may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Irving was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities

The City's program revenues for governmental activities had an increase of $7.1 million during the year primarily due to increase in new commercial and residential constructions and capital contributions from developers and other governmental entities. The general revenues reflected a net increase of $16.9 million compared to prior year. The net increase was primarily attributed to increases in property ($11.6 million) and sales ($2.7 million) taxes. The property tax certified roll for tax year 2016 was up $1.81 billion due primarily to increases in commercial real property values and residential values. Commercial values increased by 9.65% or $960 million from the prior year. Residential values increased significantly by 593.6 million or 10.4%. Business personal property also increased by $260 million or 4.7%. The certified roll of $22.98 billion has increased for the past five tax years, and has surpassed the pre-recession peak of $18.45 billion in tax year 2008. The composition of Irving's tax base is 73% commercial, which is a much larger proportion of the total tax base than other large cities in the Metroplex. As a result, Irving's revenues fluctuate with the business cycle to a greater extent than cities with primarily residential property bases. The business-oriented character of Irving is also reflected in hotel tax revenues, which are primarily driven by business travel which showed a sustained recovery in revenue throughout the year which exceeded the prior year's amount by $1.2 million or 4.5%.

Expenses for governmental activities increased by $12 million. This is primarily attributed a new police beat consisting of eight officers and staffing of 51 for new Fire Station #12 which opened during the fiscal year. Additional expenses during the year include funding $1.1 million for street reconstruction as part of the "Road to the Future" initiative, increased funding of $692,317 for capital equipment leases, and an increased allocation of $1.725 million to the city's TIF districts.

Business-type Activities

Business type activities had a net position increase of $30.9 million or 8% increase for FY17. The increase in net position for FY16 was $15.2 million. This is primarily attributed to 7% rate increase in 2016-17 for water and wastewater services and 19% in Solid Waste Services.

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CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2017

(Unaudited)

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 30,675	$ 26,595	$ 127,216	$ 110,763	$ 157,891	$ 137,358
Operating grants and contributions	14,406	13,761	-	-	14,406	13,761
Capital grants and contributions	8,262	5,928	7,286	6,391	15,547	12,319
General Revenues:						
Property taxes	136,148	124,478	-	-	136,148	124,478
Sales taxes	67,933	65,247	-	-	67,933	65,247
Other taxes	47,350	45,874	-	-	47,350	45,874
Investment income	2,175	917	771	375	2,946	1,292
Miscellaneous	874	1,005	-	-	874	1,005
Gain on sale of assets	197	211	-	-	197	211
Total revenues	308,019	284,016	135,273	117,529	443,291	401,545
Expenses:						
General government	41,430	42,469	-	-	41,430	42,469
Police	65,431	61,715	-	-	65,431	61,715
Fire	52,978	47,935	-	-	52,978	47,935
Animal services	1,915	1,693	-	-	1,915	1,693
Parks and recreation	18,428	19,288	-	-	18,428	19,288
Municipal court	3,248	2,996	-	-	3,248	2,996
Library	8,218	8,085	-	-	8,218	8,085
Community development	35,600	35,217	-	-	35,600	35,217
Public works	32,658	30,045	-	-	32,658	30,045
Interest on long-term debt	21,929	20,281	5,979	6,158	27,908	26,438
Water and sanitary sewer	-	-	80,947	77,729	80,947	77,729
Solid waste	-	-	11,916	12,230	11,916	12,230
Municipal drainage	-	-	5,637	5,617	5,637	5,617
Total expenses	281,837	269,724	104,479	101,734	386,315	371,457
Increase (decrease) in net position before transfers	26,182	14,292	30,794	15,795	56,976	30,088
Transfers	(144)	566	144	(566)	-	-
Increase (decrease) in net position	26,038	14,858	30,938	15,229	56,976	30,088
Net position beginning of year	383,218	368,360	385,179	369,950	768,398	738,310
Net position end of year	$ 409,255	$ 383,218	$ 416,117	$ 385,179	$ 825,373	$ 768,398

ANALYSIS OF THE CITY'S FUNDS

The unassigned fund balance of the General Fund at the end of the year was $61.2 million; total fund balance was $67.7 million. The General Fund fund balance increased by $6.5 million from the prior year.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2017 the City Council adopted amendments to the budget for the General Fund in the amount of $84,646. An adjustment was made to increase the budget for expenditures related to revenues for expenditures refunded by the Organized Crime Drug Enforcement Task Force which had previously been paid by the Seized Narcotics Fund in the amount of $25,000. A private donation of $9,646 was allocated for capital purchases for the Family Advocacy Center. Another adjustment allocated a $50,000 escrow deposit to reimburse the city for convention center hotel/parking garage project legal expenditures.

Sales Tax revenues for FY 2016-17 were budgeted at $66.9 million. Actual revenues were fractionally below the budget amount by $30,855 or 0.05 percent. Sales taxes grew rapidly after the recession, exceeding pre-recession totals of $50.65 million by $16.2 million or 32 percent by the current fiscal year. While tax revenues grew rapidly during the first years of the recovery, over the past three years revenue has continued to grow, but at a lower rate.

Property Tax revenues for the current year were above the original budget by approximately $221,700. Current year revenues were 99.99% of the adopted budget, while penalties and interest were $37,866 above budget. Prior period collections were $284,300 above budget as well. Based on prior year's collection history, the estimated collection rate on the tax base was set at 98.25%. Actual collections for the year were 98.24% of the amount levied.

Franchise Fee revenues were budgeted at $21.3 million, but actual revenues were $767,000 less at $20.5 million. The primary drivers of this decrease were electric and cable franchises which were below estimates. This was partially offset by natural gas and telecommunications franchise fee revenues being slightly above budget.

Permit and Inspection revenues for FY 2016-17 were budgeted at $5 million. Actual revenues exceeded budget by just over $1.6 million. The two main drivers of this increase were building permit revenue at $873,582 above budget and plan review revenue at $336,291 above budget. Paving and drainage inspection fees also exceeded combined budgets by $295,788 This revenue increase reflects the sustained increase in local economic activity from new commercial and residential construction and renovation projects as the city and the region continues to grow.

Revenue from fees and licenses were $605,000 below the FY 2016-17 budget of $5.4 million. The primary driver was the state reimbursement for uncollected ambulance fees were recorded as miscellaneous revenues. The budget in FY 2017-18 has been adjusted to reflect this classification.

Interest income was $327,046 above budget as the Federal Reserve raised short-term rates three times during the year. These increased rates were achieved without altering the composition of the city's investment portfolio or duration of the city's investments.

All other revenues combined were $50,400 above the revised budget of $20.5 million. General Fund revenues increased from the adopted budget primarily due to permitting fees, property tax collections and interest income being above budget. These increases were partially offset by franchise fees and other fee revenues being below budget. The overall revenue variance was just over $810,000, or less than half of a percent.

General Fund expenditures totaled $208.22 million, $8.6 million below the revised budget of $216.85 million. Salary and benefit savings comprise a large portion of these savings with $1.25 million in salaries and $878,500 in benefits being saved in temporary vacancies and actual pension and insurance expenditures below budgeted amounts. Economic development incentive payments were $384,504 below adopted budget as some companies did not meet the terms of the various incentive agreements to receive the maximum benefit. Other economic development activities came in $3 million below budget, including $1 million for economic development projects which was not spend during the year. Land purchases for economic development were budgeted at $725,000 to partially reserve funds for a payment in the future fiscal year and were not expended in the current year. Construction costs for the Entrepreneurial Center came in $500,000 under budget during the year. Supplies were $540,000 below budget. Other operating and capital savings accounted for the remaining savings, as expenditure budgets are prudently over-estimated. Transfers to other funds were below budget at $454,000 primarily due to payments into the TIF funds being below budget projections.

During FY 2016-17, budgetary policy remained conservative and departments were asked to continue to identify cost saving measures. During the city manager's budget review process, approximately $842,500 in operational cuts were identified. A focus during the year and for future budget planning has been to allocate revenue increases to increase funding for equipment and infrastructure replacement. In the next budget year, $1.778 million in savings from temporary vacancies was budgeted, but no authorized positions are held vacant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the City had $1.2 billion invested in a broad range of capital assets including buildings, police and fire vehicles and equipment, park facilities, roads, bridges and water and sanitary sewer lines (see table 3). The total net increase (including additions and deductions) over the prior year was $37.8 million (5.2%) for governmental activities and $18 million (3.7%) in business type activities.

Table 3
Capital Assets at Year End
In thousands

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	$ 105,785	$ 104,045	$ 8,555	$ 8,548	$ 114,340	$ 112,593
Buildings and improvements	273,633	265,454	-	-	273,633	265,454
Equipment	135,398	128,232	-	-	135,398	128,232
Construction in progress	97,889	63,087	40,466	33,896	138,355	96,983
Infrastructure	487,797	478,101	734,757	705,555	1,222,554	1,183,656
Other	2,174	2,174	20,940	20,940	23,114	23,114
Total capital assets	1,102,676	1,041,093	804,718	768,939	1,907,394	1,810,032
Less: accumulated depreciation	347,969	324,217	295,333	277,625	643,302	601,842
Totals	$ 754,707	$ 716,876	$ 509,385	$ 491,314	$ 1,264,092	$ 1,208,190

This year's major additions include (in millions):

Fire Station #12	5.62
Anderson, Chisolm Trl, Macarthur, Water & Wastewater Improvements	4.20
Fire Training Facility & Burn Tower	2.71
Northgate Supply & Pump Station Improvements	2.32
Recognition, Regal Ridge, Irving Heights Water & Wastewater Improvements	1.95
Glenwick, Segundo, Evergreen Water & Wastewater Improvements	1.77

See Notes (1) (h) and (5) for more detailed information regarding capital asset activity.

Debt

At year-end, the City had $738 million in outstanding debt, an increase of $59 million compared to $679 million last year, as shown in Table 4 below.

Table 4
Outstanding Debt, at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds - (backed by the City)	$ 221	$ 214	$ -	$ -	$ 221	$ 214
Revenue bonds - (backed by specific tax and fee revenues)	287	251	178	175	465	426
Net premium	16	11	12	9	28	20
Other obligations	7	2	-	-	7	2
Water supply obligation	-	-	16	17	16	17
Totals	$ 531	$ 478	$ 206	$ 201	$ 737	$ 679

The City's general obligation debt continues to be rated Aaa by Moody's Investor Services and AAA by Standard and Poor's. The outstanding debt reported in governmental activities increased by $53 million during the fiscal year due to new debt issuance exceeding principal payments and debt refundings. The City issued $30 million in General Obligation bonds for various capital projects, $30.4 million to refund previously issued bonds, $13 million of Combination Tax and Revenue Certificates of Obligations for a convention center parking facility, and $25 million of Combination Tax and Revenue Certificates of Obligations for a convention center meeting facilities. Net Premiums in governmental activities increased by $4 million due to $7.6 million received from new debt issuance offset by current year amortization. Other obligations increased by 5 million primarily due to increase in capital leases.

The outstanding debt reported in the business type activities increased by $5 million during the fiscal year due to new debt issuances exceeding principal payments and debt refundings. $19.9 million in Waterworks & Sewer New Lien Revenue for certain improvements and extensions to the City's Waterworks and Sewer System and $19.3 million in Waterworks and Sewer New Lien Refunding Bonds to refund a portion of the outstanding debt. Net premiums increased by $3 million due to $4 million received from new debt issuance offset by current year amortization.

Debt information is included in sections (1) (k) and (7) of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for FY 2017-18 are budgeted at $223 million, which is almost $9.6 million higher than the adopted FY 2016-17 level. FY 2017-18 includes increased property tax due to an increase in valuation of $1.286 billion to $24.27 billion while maintaining the tax rate of $0.5941. Sales tax revenue is projected to increase to $69.61 million primarily due to the completion of monthly repayments to the State Comptroller for allocation adjustment agreements from 2014 and 2015. Other revenues were budgeted based on trend analysis and a five year financial forecast with conservative growth projections to reflect the impact of increasing economic activity and new residential development upon the revenue streams of the General Fund. Reductions in revenue from fines and franchise fees have partially offset projected increases in property taxes and other fees.

The certified tax roll as of January 1, 2017 (affecting the 2017-18 fiscal year) is up $1.286 billion from the prior year. This increase is due to increases in commercial real property assessments of $657.7 million or 6 percent and residential property increases of $555 million or 8.8 percent. Business personal property values also increased by $72.7 million or 1.25 percent. New construction in the amount of $502 million was added to the tax roll for tax year 2017. The tax rate was maintained at a rate of $0.5941 per $100 valuation. This amount will generate approximately $6.1 million more ad valorem tax revenues for the General Fund than in FY 2016-17.

Sales tax revenues have shown steady, robust growth since the end of the recession, but the rate of growth has begun to decline. Sales tax revenues for FY 2016-17 increased by 2.0 percent or just over $1.3 million compared to FY 2015-16 actuals at $65.5 million. The FY 2017-18 revenues were projected to increase to $69.6 million. Projections are based on current year trends and estimates provided by an outside consultant. The most significant factor in the increase is the completion of monthly repayments to the state for misallocated sales tax payments. Current collections are projected to increase only slightly from the prior year actuals.

For FY 2017-18 total franchise fees have been projected to increase slightly from $20.5 million in FY 2016-17 to $20.8 million. A steadily improving local economy, including new commercial and residential development, is translating to modest increases in franchise fee revenues, which account for 9 percent of the General Fund budget.

Interest income has begun to recover from recessionary lows as the Federal Reserve has begun a series of short-term interest rate increases from historic lows below 1%. Interest income for FY 2017-18 is budgeted at $500,000. Federal Reserve policy should result in higher interest rates over the next year. However, the timing and degree of these changes are uncertain, so no assumptions were made to increase the budget above the prior year projected revenue.

Irving continues to benefit from a growing economy in the North Central Texas region. New commercial and residential construction continues to grow the tax base and increase economic activity in the city, while presenting challenges to provide municipal services to a larger customer base. Property values have increased by over $7.7 billion in the past six years to $24.3 billion. Based on economic indicators and the city's long-term financial forecast, budget staff projects gradual but continued growth in most revenue categories. These revenue increases are projected to fund service expansions and partially offset projected increases in salaries, benefits, operations, and economic development incentives.

City management worked with City Council to develop a fifteen year long-range financial plan that will give policy guidance and identify funding sources for future costs, including planned service enhancements. This plan provides a framework for discussions of city policy that will guide the development of the budget for the next several years. Revenues and expenditures are reviewed monthly and the overall economic condition of the city is balanced against departmental and resident requests in an effort to maintain existing levels of service and increase customer satisfaction while maintaining a structurally balanced budget. The plan was presented to City Council in FY 2016.

General Fund expenditures budgeted for FY 2017-18 are $232.6 million, reflecting a 4.3 percent increase from the FY 2016-17 adopted budget. Increased funding of infrastructure is a significant increase in the budget with an additional $1.1 million allocated to the "Road to the Future" street reconstruction program bringing the annual amount of pay-as-you-go funding up to $2.2 million. Additional funding has been allocated for information technology improvements, including operating and capital upgrades in preparation for the replacement of the ERP (Enterprise Resource Planning) and utility billing systems. Funding for equipment replacement also increased as additional funds were allocated for short-term lease purchases of Fire equipment as well as $2.5 million for other vehicle replacements. Sixteen new positions across multiple General Fund departments were added to address the most critical staffing needs. The largest portion of General Fund expenditures are salaries and benefits at 68 percent of budget. The budget for FY 2017-18 includes full year funding for salary adjustments adopted during FY 2016-17 as well as partial-year funding for a 2 percent cost of living adjustment for general government employees and a market-based salary adjustment for Police and Fire civil service employees that will be implemented in the second quarter of the fiscal year. Merit and step plan costs for FY 2017-18 were projected at $1.4 million. Other staffing changes had a net cost of $900,000 and included the transfer of three positions to the General Fund from the Municipal Drainage Utility (MDU) Fund. Health insurance costs decreased by $794,000 due to plan design changes and employees shifting to less expensive health insurance plans. The projected General Fund cost of employee separation payments increased by $700,000 as increasing numbers of long-tenured employees choose to retire or leave city employment. Additional non-salary operating increases included increased payments to the TIF districts ($1.36 million). Other non-personnel related operating expenses increased by only $517,152.

In the FY 2017-18 budget, rate increases of 6% were adopted for water and wastewater service. The adopted budget of approximately $103.86 million is projected to provide funding for all operating and capital expenditures while maintaining sufficient coverage to meet debt service covenants. However, the Trinity River Authority (TRA) has implemented fee increases in the past four years in order to finance their own capital program.

The Solid Waste Services Fund is also an enterprise fund of the city, responsible for all operating costs associated with residential refuse collection and operation of the city's municipal landfill. The growth of the city is straining the capacity of current solid waste operations. The current route sizes exceed industry standards for manual, bagged collection routes. Solid Waste Services continues to face several challenges, including hiring and retaining workers; risk management, health and safety issues; equipment replacement needs; and landfill development needs. The FY 2017-18 budget maintains the current service delivery model, with increases for new routes and equipment replacement. This required a rate increase of 5 percent and a tipping fee charge of $40 per ton for all customers at the landfill. The total budget for the Solid

Waste Services Fund for FY 2017-18 is just below $16 million.

The MDU Fund is the city's third enterprise fund. Rates for the MDU were unchanged and the FY 2017-18 budget of $5.27 million is comparable to the previous year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department at City of Irving, 825 W. Irving Blvd. Irving, TX 75060 or at 972-721-2401.

* * * *

City of Irving, Texas
Statement of Net Position
September 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 195,189,673	$ 30,763,242	$ 225,952,915
Investments	131,298,485	45,609,359	176,907,844
Receivables (net of allowance for doubtful accounts)	29,828,058	21,303,624	51,131,682
Due from other governments	1,162,349	-	1,162,349
Inventories	133,868	732,482	866,350
Prepaids	46,641	10,504	57,145
Restricted assets:			
Cash and cash equivalents	-	11,085,300	11,085,300
Investments	-	33,037,942	33,037,942
Accrued interest receivable	-	108,616	108,616
Capital assets:			
Non-depreciable	205,847,981	49,021,286	254,869,267
Depreciable (net)	548,858,918	460,363,780	1,009,222,698
Total assets	1,112,365,973	652,036,135	1,764,402,108
Deferred outflows of resources			
Deferred charge on refundings	3,455,304	3,024,388	6,479,692
City contributions made after measurement date	15,598,301	1,998,247	17,596,548
Difference in projected and actual earnings of pension plan investments	42,566,545	4,592,808	47,159,353
Difference in assumptions	10,700,362	1,524,462	12,224,824
Difference in expected and actual experience	88,913	14,475	103,388
Total deferred outflow of resources	72,409,425	11,154,380	83,563,805
Liabilities:			
Accounts payable	10,694,833	5,831,509	16,526,342
Accrued wages & benefits	6,047,277	908,496	6,955,773
Accrued interest payable	3,011,761	1,656,825	4,668,586
Customer deposits	-	8,940,414	8,940,414
Unearned revenue	1,743,655	-	1,743,655
Retainage payable	1,156,256	636,357	1,792,613
Sundry payables	1,688,118	-	1,688,118
Non-current liabilities:			
Due within one year:			
Compensated absences	1,591,754	55,096	1,646,850
Lease payable	1,278,646	-	1,278,646
Bonds payable (includes bond premium)	26,223,218	17,796,610	44,019,828
Water supply obligations	-	355,260	355,260
Other obligations	1,269,150	-	1,269,150
Liability for unpaid claims	4,617,768	-	4,617,768
Due in more than one year:			
OPEB liability	9,741,431	1,133,384	10,874,815
Net pension liability	167,138,853	15,236,273	182,375,126
Compensated absences	30,243,325	1,046,837	31,290,162
Lease payable	4,388,621	-	4,388,621
Landfill closure postclosure liability	-	5,392,075	5,392,075
Bonds payable (includes bond premium)	497,886,633	171,424,334	669,310,967
Water supply obligations	-	16,203,114	16,203,114
Liability for unpaid claims	3,687,025	-	3,687,025
Total liabilities	772,408,324	246,616,584	1,019,024,908
Deferred inflow of resources			
Difference in expected and actual experience	3,112,122	456,816	3,568,938
Net position:			
Net investment in capital assets	314,198,307	337,869,122	652,067,429
Restricted for:			
Capital projects	126,698	-	126,698
Debt service	29,196,078	12,024,446	41,220,524
Community development projects	93,188,104	-	93,188,104
Other special purposes	6,437,200	-	6,437,200
Unrestricted	(33,891,435)	66,223,547	32,332,112
Total net position	$ 409,254,952	$ 416,117,115	$ 825,372,067

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Activities
Year Ended September 30, 2017

Function/Program Activities	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions
Primary Government:				
Governmental activities:				
General government	$ 41,430,115	$ 6,249,664	$ 11,524	$ -
Police	65,430,754	8,388,345	586,042	-
Fire	52,978,091	5,206,765	-	-
Animal services	1,914,928	192,523	-	-
Parks and recreation	18,428,167	1,695,660	137,600	-
Municipal court	3,248,118	5,479,886	-	-
Library	8,218,478	295,151	79,972	-
Community development	35,600,206	2,195,017	13,589,407	-
Public works	32,658,240	972,269	-	8,261,748
Interest on long-term debt	21,929,448	-	-	-
Total governmental activites	281,836,545	30,675,280	14,404,545	8,261,748
Business-type activities:				
Water and sanitary sewer	86,771,918	106,758,462	-	4,072,985
Solid waste	11,916,311	15,203,494	-	162,838
Municipal drainage	5,789,596	5,254,110	-	3,049,722
Total business-type activities	104,477,825	127,216,066	-	7,285,545
Total primary government	$ 386,314,370	$ 157,891,346	$ 14,404,545	$ 15,547,293

General revenues:
Taxes:
Property taxes
Sales taxes
Franchise fees
Hotel / motel occupancy taxes
Other taxes and fees
Investment income
Miscellaneous
Gain on sale of assets
Transfers (net)
Total general revenues and transfers
Change in net position
Net position, beg of year
Net position, end of year

(continued)

See accompanying notes to basic financial statements

Net (Expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
$ (35,168,927)	$	$ (35,168,927)
(56,456,367)		(56,456,367)
(47,771,326)		(47,771,326)
(1,722,405)		(1,722,405)
(16,594,907)		(16,594,907)
2,231,768		2,231,768
(7,843,355)		(7,843,355)
(19,815,782)		(19,815,782)
(23,424,223)		(23,424,223)
(21,929,448)		(21,929,448)
(228,494,972)		(228,494,972)
-	24,059,529	24,059,529
-	3,450,021	3,450,021
-	2,514,236	2,514,236
-	30,023,786	30,023,786
$ (228,494,972)	$ 30,023,786	$ (198,471,186)
136,148,123	-	136,148,123
67,932,501	-	67,932,501
20,888,593	-	20,888,593
26,285,602	-	26,285,602
175,854	-	175,854
2,174,582	770,925	2,945,507
874,181	-	874,181
196,525	-	196,525
(143,735)	143,735	-
254,532,226	914,660	255,446,886
26,037,254	30,938,446	56,975,700
383,217,698	385,178,669	768,396,367
$ 409,254,952	$ 416,117,115	$ 825,372,067

(concluded)

City of Irving, Texas
Balance Sheet
Governmental Funds
September 30, 2017

	General	Debt service	TIF	Nonmajor governmental funds	Total governmental funds
Assets:					
Cash and cash equivalents	$ 12,316,374	$ 11,287,523	$ 57,395,661	$ 103,653,948	$ 184,653,506
Investments	46,732,931	20,386,218	-	30,729,376	97,848,525
Receivables (net of allowance for doubtful accounts):					
Taxes	12,881,994	466,146	-	6,741,648	20,089,788
Franchise fees	4,840,840	-	-	91,714	4,932,554
Accrued interest	227,693	67,952	47,064	168,360	511,069
Accounts receivable	2,156,280	-	-	1,057,446	3,213,726
Due from other funds	1,051,834	-	-	-	1,051,834
Due from other governments	-	-	-	1,162,349	1,162,349
Real estate held for resale	-	-	-	-	-
Prepaids	44,141	-	-	2,500	46,641
Total Assets	$ 80,252,087	$ 32,207,839	$ 57,442,725	$ 143,607,341	$ 313,509,992
Liabilities:					
Accounts payable	3,407,600	-	2,660	6,208,974	9,619,234
Accrued wages and benefits	5,619,532	-	-	346,654	5,966,186
Due to other funds	-	-	13	1,051,821	1,051,834
Retainage payable	-	-	-	1,156,256	1,156,256
Sundry payables	1,039,754	-	-	642,367	1,682,121
Unearned revenue	760,156	-	-	983,499	1,743,655
Total liabilities	10,827,042	-	2,673	10,389,571	21,219,286
Deferred inflows of resources					
Unavailable revenue	1,724,555	466,146	-	-	2,190,701
Total deferred inflows of resources	1,724,555	466,146	-	-	2,190,701
Fund Balances:					
Non-spendable:					
Prepaids	44,141	-	-	2,500	46,641
Restricted for:					
Retirement of general obligation bonds	-	9,931,310	-	-	9,931,310
Retirement of special revenue bonds	-	19,268,128	-	-	19,268,128
Retirement of revenue bonds	-	2,542,255	-	-	2,542,255
Police	-	-	-	1,508,821	1,508,821
Parks and recreation	-	-	-	4,616,988	4,616,988
Community development	-	-	57,440,052	66,872,507	124,312,559
Public works	-	-	-	51,041,920	51,041,920
Other purposes	-	-	-	4,584,228	4,584,228
Committed to:					
Economic development	550,000	-	-	-	550,000
Assigned to:					
Parks and recreation	643,024	-	-	1,476,853	2,119,877
Community development	4,204,487	-	-	-	4,204,487
Public works	-	-	-	3,004,633	3,004,633
Other capital projects	-	-	-	611,112	611,112
Other purposes	1,029,386	-	-	-	1,029,386
Unassigned	61,229,452	-	-	(501,792)	60,727,660
Total fund balances	67,700,490	31,741,693	57,440,052	133,217,770	290,100,005
Total liabilities, deferred inflows and fund balances	$ 80,252,087	$ 32,207,839	$ 57,442,725	$ 143,607,341	$ 313,509,992

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2017

Total fund balances--governmental funds		$ 290,100,005
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Equipment	$ 71,207,761	
Land	105,784,949	
Buildings and improvements	273,485,198	
Other capital assets	2,173,975	
Infrastructure assets	486,780,383	
Construction in progress	96,567,941	
Accumulated depreciation	(301,073,429)	
Total capital assets		734,926,778
Some revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues are recognized when earned.		2,190,701
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		48,718,512
Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	$ 508,080,000	
Bond premium	16,029,851	
Deferred charge in refunding	(3,455,304)	
Accrued interest on bonds	3,011,761	
Payable to State Comptroller	293,112	
Payable to NCTCOG	976,038	
Compensated absences	31,835,079	
OPEB Liability	9,419,576	
Total long-term liabilities		(566,190,113)
Net pension liability and deferred inflows and outflows of resources of pensions plans determined as of measurement date.		(100,490,931)
Net position of governmental activities.		$ 409,254,952

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2017

	General	Debt service	TIF	Nonmajor governmental funds	Total governmental funds
Revenues:					
Taxes	$ 192,779,295	$ 29,554,135	$ 981,579	$ 26,835,391	$ 250,150,400
Fees, licenses, permits and inspections	11,395,975	-	-	-	11,395,975
Fines, forfeitures, and penalties	5,264,849	-	-	4,589,408	9,854,257
Charges for services	572,573	-	-	910,521	1,483,094
Intergovernmental and intragovernmental	6,340,737	-	10,473,477	4,184,896	20,999,110
Investment income	546,551	281,987	353,411	755,081	1,937,030
Miscellaneous	8,425,892	-	-	3,151,032	11,576,924
Total revenues	225,325,872	29,836,122	11,808,467	40,426,329	307,396,790
Expenditures:					
Current:					
General government	40,869,152	-	-	4,039	40,873,191
Police	58,823,639	-	-	1,093,148	59,916,787
Fire	44,331,266	-	-	-	44,331,266
Animal services	1,806,334	-	-	276	1,806,610
Parks and recreation	16,154,293	-	-	210,636	16,364,929
Municipal court	2,845,416	-	-	126,717	2,972,133
Library	6,810,030	-	-	176,087	6,986,117
Community development	18,687,781	-	1,630,680	19,140,346	39,458,807
Public works	17,892,465	-	-	2,554,722	20,447,187
Debt service:					
Principal	-	22,210,000	-	-	22,210,000
Interest and other charges	-	21,610,006	-	976,582	22,586,588
Contract payments	-	177,132	-	-	177,132
Capital outlay	-	-	-	48,770,802	48,770,802
Total expenditures	208,220,376	43,997,138	1,630,680	73,053,355	326,901,549
Excess (deficiency) of revenues under expenditures	17,105,496	(14,161,016)	10,177,787	(32,627,026)	(19,504,759)
Other financing sources (uses):					
Issuance of general obligation and certificate of obligation bonds	-	-	-	65,596,202	65,596,202
Issuance of revenue bonds	-	2,551,806	-	-	2,551,806
Premium on bonds issued	-	5,023,885	-	2,626,324	7,650,209
Payments to refund escrow	-	(35,184,607)	-	-	(35,184,607)
Refunding bonds issued	-	30,405,000	-	-	30,405,000
Transfers in	1,606,898	9,011,363	8,114,479	2,082,449	20,815,189
Transfers out	(12,175,711)	-	(1,593,621)	(6,398,015)	(20,167,347)
Total other financing sources (uses)	(10,568,813)	11,807,447	6,520,858	63,906,960	71,666,452
Net change in fund balances	6,536,683	(2,353,569)	16,698,645	31,279,934	52,161,693
Fund balances, beginning of year	61,163,807	34,095,262	40,741,407	101,937,836	237,938,312
Fund balances, end of year	$ 67,700,490	$ 31,741,693	$ 57,440,052	$ 133,217,770	$ 290,100,005

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended September 30, 2017

Net change in fund balances--total governmental funds			$ 52,161,693
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other miscellaneous activity involving capital assets (ie, disposals) in the current period.			
Capital outlay expenditures	$ 53,874,900		
Depreciation expense	(21,621,360)		
Net adjustment			32,253,540
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.			(206,232)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the receipt of capital assets from developers.			5,653,636
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the the treatment of long-term debt and related items.			
Debt issued:			
GO bonds, certificates of obligation, revenue bonds and note payable		$ 98,550,000	
Bond premium		7,649,990	
Bond premium amortization		(2,234,475)	
Deferred charge on refunding amortization		508,158	
Total debt issued		104,473,673	
Repayments:			
To bondholders/debtors	(22,210,000)		
Payment to Escrow agent:			
Principal	(33,935,000)		
Refunding loss deferred	(1,249,607)	(35,184,607)	
Total repayments		(57,394,607)	
Net adjustment			(47,079,066)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Decrease in sales tax overpayment to State Comptroller for sales taxes		$ (1,080,000)	
Increase in the amount of compensated absences		841,636	
Increase in the amount of OPEB liability		860,621	
Increase in accrued interest on general obligation bonds		1,038,824	
Total adjustment			(1,661,081)
To record net change in pension activity			(19,526,975)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds.			
Change in net position of the internal service funds			4,441,739
Change in net position of governmental activities			$ 26,037,254

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Net Position
Proprietary Funds
September 30, 2017

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Assets:					
Current assets:					
Current assets - unrestricted:					
Cash and cash equivalents	$ 22,982,952	$ 5,471,654	$ 2,308,638	$ 30,763,242	$ 10,536,187
Investments	45,609,359	-	-	45,609,359	33,449,960
Accounts receivable, net	19,518,285	1,344,601	298,708	21,159,574	975,869
Accrued interest	139,156	3,841	1,053	144,050	105,052
Inventories, at cost	732,482	-	-	732,482	133,868
Prepaid expenses	10,504	-	-	10,504	-
Total current assets - unrestricted	88,990,718	6,820,096	2,608,397	98,419,211	45,200,916
Current assets - restricted:					
Cash and cash equivalents	10,301,013	-	397,588	10,898,601	-
Investments	25,050,249	-	348,374	25,398,623	-
Accrued interest receivable	74,633	-	2,128	78,761	-
Total current assets - restricted	35,425,895	-	748,090	36,173,985	-
Total current assets	124,416,613	6,820,096	3,356,487	134,593,196	45,200,916
Noncurrent assets:					
Cash and cash equivalents, bond reserve	388,699	-	-	388,699	-
Investments, bond reserve	7,320,102	-	319,217	7,639,319	-
Accrued interest receivable, bond reserve	31,655	-	-	31,655	-
Capital assets:					
Equipment	-	-	-	-	65,207,237
Land	7,463,368	1,007,261	84,697	8,555,346	-
Water rights	20,939,508	-	-	20,939,508	-
Plant / infrastructure	663,052,609	12,661,840	59,042,878	734,757,327	147,980
Construction in progress	33,647,248	2,795,462	4,023,232	40,485,940	1,321,118
Less accumulated depreciation	(266,885,856)	(5,494,812)	(22,972,385)	(295,333,053)	(46,896,212)
Total capital assets, net	458,236,893	10,969,751	40,178,422	509,385,066	19,780,121
Total noncurrent assets	465,975,549	10,969,751	40,497,639	517,442,939	19,780,121
Total assets	590,392,162	17,789,847	43,854,126	652,036,135	64,981,037
Deferred outflow of resources					
Deferred charge on refunding	3,024,388	-	-	3,024,388	-
City contributions made after measurement date	1,211,623	538,499	248,125	1,998,247	248,125
Difference in projected and actual earnings of pension plan investments	2,910,397	1,293,509	388,902	4,592,808	388,902
Difference in assumptions	980,012	435,560	108,890	1,524,462	108,890
Difference in expected and actual experience	9,305	4,137	1,033	14,475	1,033
Total deferred outflow of resources	6,135,725	2,271,705	746,950	11,154,380	746,950
Liabilities:					
Current liabilities:					
Current liabilities - unrestricted funds					
Accounts payable	4,171,946	283,874	156,910	4,612,730	1,075,599
Accrued wages and benefits	525,781	272,166	110,549	908,498	81,091
Lease payable	-	-	-	-	1,278,646
Sundry payable	-	-	-	-	5,997
Retainage payable	320,213	-	-	320,213	-
Deposits	8,940,414	-	-	8,940,414	-
Compensated absences payable	29,951	16,464	8,681	55,098	-
Estimated liability for unpaid claims	-	-	-	-	4,617,768
Total current liabilities - unrestricted funds	13,988,305	572,504	276,140	14,838,949	7,059,101
Current liabilities payable from restricted assets:					
Accounts payable	1,206,858	-	11,921	1,218,779	-
Retainage payable	318,144	-	-	318,144	-
Water supply obligations	355,260	-	-	355,260	-
Revenue bonds (net of bond premium)	17,593,622	-	202,988	17,796,610	-
Accrued interest payable	1,638,401	-	18,424	1,656,825	-
Total current liabilities payable from restricted assets	21,110,285	-	233,333	21,343,618	-
Total current liabilities	35,098,590	572,504	509,473	36,180,567	7,059,101
Noncurrent liabilities, net of current portion:					
Compensated absences payable	569,072	312,828	164,939	1,046,837	-
OPEB payable	509,667	623,717	-	1,133,384	321,855
Net pension liability	9,511,454	4,227,313	1,497,506	15,236,273	1,497,506
Lease payable	-	-	-	-	4,388,621
Revenue bonds (net of bond premium)	167,819,214	-	3,605,120	171,424,334	-
Water supply obligations	18,203,114	-	-	18,203,114	-
Landfill closure and post closure payable	-	5,392,075	-	5,392,075	-
Estimated liability for unpaid claims	-	-	-	-	3,687,025
Total noncurrent liabilities	194,812,521	10,555,931	5,267,565	210,436,017	9,895,007
Total liabilities	229,711,111	11,128,435	5,777,038	246,616,584	16,954,108
Deferred inflows of resources					
Difference in expected and actual experience	277,926	123,523	55,387	456,816	55,387
Net position:					
Net investment in capital assets	290,152,404	10,969,751	36,746,967	337,869,122	14,112,854
Restricted for debt service	11,337,710	-	686,736	12,024,446	-
Unrestricted	67,046,736	(2,160,157)	1,334,968	66,223,547	34,605,658
Total net position	$ 368,536,850	$ 8,809,594	$ 38,768,671	$ 416,117,115	$ 48,718,512

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Operating revenues:					
Charges for services	$ 106,758,462	$ 15,095,965	$ 5,254,110	$ 127,108,537	$ 45,046,039
Miscellaneous	-	107,529	-	107,529	1,364,088
Total operating revenues	106,758,462	15,203,494	5,254,110	127,216,066	46,410,127
Operating expenses:					
Water purchases	12,254,911	-	-	12,254,911	-
Sewer treatment costs	23,071,870	-	-	23,071,870	-
Personnel services	13,252,184	6,715,401	2,592,367	22,559,952	1,983,932
Supplies	3,052,070	99,355	81,544	3,232,969	5,288,970
Maintenance	2,322,477	2,254,979	1,336,211	5,913,667	208,393
Light and power	1,428,704	-	-	1,428,704	-
Depreciation	15,813,271	664,489	1,300,610	17,778,370	4,664,630
Sundry charges	252,380	-	1,516	253,896	-
Administrative charges	5,443,749	857,206	39,782	6,340,737	-
Claims	-	-	-	-	23,876,095
Insurance premiums	-	-	-	-	2,431,193
Other	4,046,862	1,324,881	284,330	5,656,073	3,124,095
Total operating expenses	80,938,478	11,916,311	5,636,360	98,491,149	41,577,308
Operating income (loss)	25,819,984	3,287,183	(382,250)	28,724,917	4,832,819
Nonoperating revenues (expenses):					
Investment income	724,860	25,926	20,339	770,925	237,552
Interest expense and fiscal charges	(5,825,389)	-	(153,236)	(5,978,625)	(33,580)
Loss on sale of capital assets	(8,051)	-	-	(8,051)	196,525
Total nonoperating revenues (expenses)	(5,108,780)	25,926	(132,897)	(5,215,751)	400,497
Income (loss) before contributions and transfers	20,711,204	3,313,109	(515,147)	23,509,166	5,233,316
Capital contributions	4,072,985	162,838	3,049,722	7,285,545	-
Transfers in	-	791,577	-	791,577	-
Transfers out	-	(647,842)	-	(647,842)	(791,577)
Change in net position	24,784,189	3,619,682	2,534,575	30,938,446	4,441,739
Net position, beginning of year	343,754,661	5,189,912	36,234,096	385,178,669	44,276,773
Net position, end of year	$ 368,538,850	$ 8,809,594	$ 38,768,671	$ 416,117,115	$ 48,718,512

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Cash flows from operating activities:					
Receipts from customers	$ 101,419,753	$ 14,787,689	$ 5,235,385	$ 121,442,827	$ 44,373,200
Payments to suppliers for goods, services and claims	(54,826,546)	(4,172,489)	(1,676,623)	(60,675,658)	(33,175,872)
Payments to employees	(11,948,136)	(6,069,314)	(2,446,480)	(20,463,930)	(1,807,064)
Other receipts	-	107,529	-	107,529	1,061,058
Other payments	-	-	-	-	(2,366,670)
Net cash provided by operating activities	34,645,071	4,653,415	1,112,282	40,410,768	8,084,652
Cash flows from noncapital financing activities:					
Transfer to other funds	-	(647,842)	-	(647,842)	-
Net cash used in noncapital financing activities	-	(647,842)	-	(647,842)	-
Cash flows from capital and related financing activities:					
Proceeds from sale of revenue bonds	39,195,000	-	-	39,195,000	-
Premium received on sale of bonds	4,022,097	-	-	4,022,097	-
Payment to refunded bonds escrow agent	(21,875,047)	-		(21,875,047)	-
Proceeds from lease agreement	-	-	-	-	4,037,034
Principal paid on lease payable	-	-	-	-	(598,929)
Proceeds from sale of capital assets	1,035	-	-	1,035	196,525
Acquisition of capital assets	(23,920,540)	(1,343,187)	(2,517,365)	(27,781,092)	(5,379,504)
Principal paid on revenue bonds	(15,325,000)	-	(195,000)	(15,520,000)	-
Principal paid on water supply rights	(344,067)	-	-	(344,067)	-
Interest paid lease payable	-	-	-	-	(33,580)
Interest paid on revenue bonds / water supply rights	(6,824,276)	-	(153,236)	(6,977,512)	-
Net cash used in capital and related financing activities	(25,070,798)	(1,343,187)	(2,865,601)	(29,279,586)	(1,778,454)
Cash flows from investing activities:					
Interest on investments	548,935	22,670	18,766	590,371	171,708
Purchase of investments	(119,706,285)	-	(757,180)	(120,463,465)	(40,920,327)
Maturities and sale of investments	97,545,496	-	725,823	98,271,319	29,903,106
Net cash provided by (used in) investing activities	(21,611,854)	22,670	(12,591)	(21,601,775)	(10,845,513)
Net increase (decrease) in cash and cash equivalents	(12,037,581)	2,685,056	(1,765,910)	(11,118,435)	(4,539,315)
Cash and cash equivalents, beginning of year	45,708,245	2,786,598	4,472,134	52,966,977	15,075,482
Cash and cash equivalents, end of year	33,670,664	5,471,654	2,706,224	41,848,542	10,536,167
Classified as:					
Current assets - unrestricted	22,982,952	5,471,654	2,308,636	30,763,242	10,536,167
Current assets - restricted	10,301,013	-	397,588	10,698,601	-
Noncurrent assets - restricted	386,699	-	-	386,699	-
Total	$ 33,670,664	$ 5,471,654	$ 2,706,224	$ 41,848,542	$ 10,536,167

(continued)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

	Business-type Activities- enterprise funds				Governmental activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 25,819,984	$ 3,287,183	$ (382,250)	$ 28,724,917	$ 4,832,819
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	15,813,271	664,489	1,300,610	17,778,370	4,884,630
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) in accounts receivable	(5,842,037)	(308,276)	(18,725)	(6,189,038)	(975,869)
(Increase) decrease in inventories	83,146	-	-	83,146	(11,684)
(Increase) in city contributions made after measurement date	(130,037)	(57,794)	(14,449)	(202,280)	(14,449)
Decrease in difference in projected and actual earnings of pension plan investments	800,712	355,873	88,968	1,245,553	88,968
Decrease in difference in assumptions	266,868	118,608	29,652	415,128	29,652
(Increase) in difference in expected and actual experience	(1,901)	(846)	(212)	(2,959)	(211)
(Decrease) increase in accounts payable	(3,056,649)	114,222	73,542	(2,868,885)	485,301
(Decrease) in accrued wages and benefits	21,986	37,610	(117)	59,479	9,768
Increase in sundry payable	-	-	-	-	5,997
Increase (Decrease) in accrued liabilities	19,980	-	(6,781)	13,199	-
(Decrease) in estimated liability for unpaid claims	-	-	-	-	(1,093,410)
Increase in OPEB payable	24,357	56,834	-	81,191	32,476
Increase in net pension liabilities	263,200	116,978	29,245	409,423	29,245
Increase in landfill closure and post closure	-	249,710	-	249,710	-
(Decrease) increase in compensated absences	46,094	13,149	11,380	70,623	-
Increase in deposits	503,328	-	-	503,328	-
Increase in expected and actual experience	12,769	5,675	1,419	19,863	1,419
Total adjustments	8,825,087	1,366,232	1,494,532	11,885,851	3,251,833
Net cash provided by operating activities	$ 34,645,071	$ 4,653,415	$ 1,112,282	$ 40,410,768	$ 8,084,652
Noncash financing, capital, and investing activities:					
Capitalized interest	$ 659,806	$ -	$ -	$ 659,806	$ -
Contributions of capital assets	4,072,985	162,838	3,049,722	7,285,545	-
Transfer of capital assets	-	791,577	-	791,577	(791,577)
Total noncash activities	$ 4,732,791	$ 954,415	$ 3,049,722	$ 8,736,928	$ (791,577)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2017

	Pension trust funds	Agency fund Cash bond
Assets		
Cash and cash equivalents	$ 2,000,790	$ 28,463
Investments, at fair value		
U.S. government securities	2,844,134	-
Common stock	24,623,245	-
Alternative investment/hedge funds	19,052,248	-
Mutual funds	4,365,310	-
Corporate bonds	4,920,219	-
Receivables:		
Accounts Receivable	91,874	-
Accrued interest on investments	66	-
Total assets	57,897,886	28,463
Liabilities		
Sundry payables	-	28,463
Total liabilities	-	28,463
Net position		
Net position restricted for pensions	$ 57,897,886	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2017

		Pension trust funds
Additions:		
Employee contributions	$	2,594,672
Employer contributions		2,118,833
Investment income		
Net increase in fair value of investments		3,766,421
Interest income		1,065,201
Total investment income		4,831,622
Less investment expense		(300,641)
Net investment income		4,530,981
Total additions		9,244,486
Deductions:		
Benefits and refunds paid		4,172,586
Administrative costs		147,778
Total deductions		4,320,364
Change in net position		4,924,122
Net position, beginning of year		52,973,764
Net position, end of year	$	57,897,886

See accompanying notes to basic financial statements

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2017

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(1) Summary of Significant Accounting Policies

The City of Irving, Texas (the City), was incorporated in 1914 under Article XI of the Constitution of the State of Texas (Home-Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

(a) Reporting Entity

The City is a municipality governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City based upon the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* Generally, GASB Statements No. 14 and GASB Statement No. 61 require entities upon which the City is able to impose its will, or that are fiscally dependent upon the City, to be included in the City's financial reporting entity. Additionally, those entities that the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading, should also be included in the City's reporting entity.

Blended Component Units – Those entities that meet the above-established criteria for inclusion, as well as either of the following criteria: (1) provide services entirely or almost entirely for the City, or (2) whose board is substantively the same as the City's Council, and (a) the primary government and the component unit have a financial benefit or burden relationship or (b) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit are required to be included as part of the primary government's financial statements through "blended" presentation. The entities that meet the above-established criteria for inclusion as a blended component unit are:

City of Irving Supplemental Benefit Plan (SBP) – The board consists of nine members of which five are elected by employees and four are appointed by Council resolution. The Irving City Council adopts the budget for SBP and sets the employee and employer contribution rates based upon actuarial valuations. The Irving City Council is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The SBP is a fiduciary fund and does not have separately issued financial statements.

City of Irving Voluntary Employee Beneficiary Association (VEBA) – The Irving City Council adopts the budget for the VEBA and sets the employee and employer contribution rates. The Irving City Council is authorized to establish benefit levels and approve assumptions

used in the determination of contribution levels. VEBA is a fiduciary fund and does not have separately issued financial statements.

Irving Housing Finance Corporation (IHFC) – The IHFC was incorporated in November 2006 for the purpose of benefiting and accomplishing public purposes of, and on behalf of, the City. The IHFC board is comprised of the City Council members, with the Mayor acting as President. All IHFC transactions are reviewed by the Executive Director of the Housing and Human Services Department and the IHFC Treasurer (City's Chief Financial Officer) who are employees of the City. IHFC is "blended" in the City's financial statements, as a special revenue fund, and does not have separately issued financial statements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund applies the accrual basis of accounting but has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and sales tax overpayments are recorded only when the liability has matured.

Property taxes, sales taxes, hotel/motel taxes, gross receipts taxes, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives the cash.

Funds

Governmental funds are those through which most governmental functions typically are financed. The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments from 2017 through 2053. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds.

TIF Fund – The TIF fund accounts for the resources and expenditures incurred in administering Tax Increment Financing (TIF) programs. The City has 5 TIFs to support economic development and finance public infrastructure.

Proprietary funds are used for services for which the City charges customers whether to outside customers or other units of the City. The City reports the following major proprietary funds:

Water and Sanitary Sewer Fund – The Water and Sanitary Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, financing and related debt service, and billing and collections.

Solid Waste Fund - The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, and financing and related debt service.

Municipal Drainage – The Municipal Drainage Utility Fund accounts for fees assessed to property owners for improvements to the storm water drainage system and to provide for treatment facilities as required by federal legislation.

Additionally, the City reports the following funds:

Internal service funds account for garage and equipment replacement, the City's self-insurance programs and computer replacement provided to other departments of the City, on a cost reimbursement basis. These funds primarily support governmental activities.

The pension trust funds account for the activities of the Supplemental Benefit Plan and the Voluntary Employee Beneficiary Association, which accumulate resources for pension-related benefits to qualified City employees and an agency fund to account for cash bond funds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program* revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Except in certain instances, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

For pension trust funds, contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Non-current governmental assets and liabilities not reported at the fund level are included in the Governmental activities column in the government-wide Statement of Net Position.

(c) Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury including its agencies and instrumentalities, municipal bonds, and investment pools consisting of U.S. Treasury obligations, repurchase agreements, commercial paper, and mutual funds.

The City's policy is to record investments with maturities of one year or less at the time of purchase at amortized cost. All other investments are recorded at fair value. It is the City's (exclusive of the SBP Fund) practice to hold all investments to maturity.

Trustees for the SBP are authorized to invest in fixed income, U.S. equities, non-U.S. equities, real estate, and alternative investments.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investment pools to be cash equivalents.

(e) Inventories

Inventories are recorded as expenditures in governmental funds at the time of purchase and accordingly, have not been reported on the governmental funds Balance Sheet. Inventories for the proprietary funds consist of fuel and parts, and are recorded at cost using the first in/first out method.

(f) Inter-fund Transactions

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from" or "due to" other funds, as they are expected to be repaid within one year. Internal amounts due between governmental and business type activities as of the end of the year are reflected within the government-wide financial statements.

Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. Reimbursement for services provided by the General Fund to the enterprise funds are recorded as revenues and expenses respectively.

Eliminations are made in the Statement of Activities to remove the doubling-up effect of internal service fund activity. The effects of similar internal events that are, in effect, allocations of overhead expenses from one function to another or are within the same function are eliminated. The effect of inter-fund services provided and used between functions is not eliminated in the Statement of Activities. Internal service fund asset and liability balances that are not eliminated in the Statement of Net Position are reported in the governmental activities column.

(g) Water Supply Rights

Water supply rights represent the City's contractual rights to utilize water at Lake Chapman for municipal and industrial use. The City began receiving water from Lake Chapman during fiscal year 2003. Water rights are being amortized on a straight-line basis over the term of the related obligation of 50 years. See notes 1(k) and 8 for additional information regarding the City's contractual obligations.

(h) Capital Assets

Capital assets are defined by the government as those tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost if original cost is not available (estimated fair value, plus any ancillary charges, at time of receipt for assets contributed). Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The City of Irving's capitalization threshold for capital assets is $5,000. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations as incurred whereas improvements and betterments that extend the useful lives of capital assets are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if significant. However, interest is not capitalized in the governmental activities, as this is prohibited under Generally Accepted Accounting Principles (GAAP). For fiscal year 2017, interest costs were capitalized in the Water and Sanitary Sewer fund in the amount of $644,146.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (such as land, land improvements and art work). Capital assets that are being or have been depreciated are reported net of accumulated depreciation in the Statement of Net Position. Depreciation expense for capital assets that can be specifically identified with a function are included in that function's direct expenses whereas depreciation expense for shared capital assets are ratably included in the direct expenses of the appropriate function unless otherwise indicated as unallocated. Depreciation expense for general infrastructure assets is not allocated to the various functions but is reported as a direct expense of the function normally associated with capital outlays for, and maintenance of, infrastructure assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Estimated Useful Life
Buildings and improvements	40-50 years
Infrastructure and plant	50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	2-12 years

(i) Deferred outflows/inflows

In addition to assets, the statement of financial position may have a separate section of deferred outflow of resources. This separate section will represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refundings - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual earnings related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference in assumption changes related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual experience related to pensions – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position may have a separate section of deferred inflow of resources. This separate section will represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The difference between expected and actual economic experience related to pensions, and unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(j) Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the special revenue funds. Community Development Block Grants are the more significant grants classified as special revenue funds. Revenues are recognized when all eligibility requirements have been met and the funds are available.

(k) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Deferred losses are amortized over the life of the bonds using the straight line method. In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

General obligation bonds, which have been issued to fund capital projects of the general government, are to be repaid from the ad valorem tax revenues of the City. General obligation bond debt is recorded in the governmental activities column in the Statement of Net Position.

Special revenue bonds, which have been issued to fund a number of civic projects, are to be repaid primarily from the hotel occupancy tax revenues of the City. Special revenue bond debt is recorded in the governmental activities column in the Statement of Net Position.

Water and Sanitary Sewer revenue bonds, which have been issued to fund capital projects, are to be repaid from the net revenues of the Water and Sanitary Sewer System fund. Water and Sanitary Sewer revenue bond debt is accounted for in the Water and Sanitary Sewer fund. Likewise, Municipal Drainage Utility System revenue bonds issued for the purpose of drainage improvements are to be repaid from the net revenues of the Municipal Drainage fund.

Water supply obligations, which represent long-term contracts between the City and the U.S. government for specified rights to a water supply in return for payment of costs to construct facilities, are to be repaid from the net revenues of the Water and Sanitary Sewer fund. Water supply obligation debt is accounted for in the Water and Sanitary Sewer fund.

In the governmental funds Balance Sheet, liabilities arising from inter-fund activities and matured liabilities (other than those associated with proprietary or fiduciary funds) are reported as governmental fund liabilities. Matured liabilities include: (1) liabilities that normally are due and payable in full when incurred, and (2) the matured portion of general long-term indebtedness (the portion that has come due for payment). Debt service on formal debt issues (such as bonds and tax notes) is recognized as a governmental fund liability and expenditure when due.

(l) Compensated Absences

All regular full-time employees accrue vacation and sick leave on a bi-weekly basis. Vacation leave may only be accrued up to a maximum number of hours, based on an employee's length of service. Sick leave may be accrued up to an unlimited amount. Compensatory leave may be accrued up to a maximum amount.

Upon employee termination and completion of the six (6) month orientation period, the City pays for unused vacation and compensatory leave up to a maximum allowable accrual. General government employees are not paid for accrued sick leave; however, police officers and firefighters may be paid up to 2,500 hours if certain requirements are met.

(m) Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purpose pursuant to a formal action approved by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City Council or City management as discussed before the Audit and Finance Committee of the City Council and approved by the City Manager and Chief Financial Officer in accordance with the City's financial policies.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available. Net position restricted for revenue bond retirement in the Proprietary Funds is a reserve required by revenue bond covenants.

Summary of major purpose classifications of fund equity:

	Non-Spendable	Restricted	Committed	Assigned
Prepaids	$ 46,641	$ -	$ -	$ -
Debt service	-	31,741,693	-	-
Police	-	1,508,821	-	-
Promote tourism and convention, venue and hotel industry	-	65,205,291	-	-
Special Assessments	-	560,210	-	-
Housing	-	182,888	-	-
Public infrastructure	-	102,882,530	-	3,004,633
Landfill improvements	-	6,523,560	-	-
Economic development	-	-	550,000	4,204,487
Park improvements	-	4,616,988	-	2,119,877
Fire facilities	-	821,934	-	-
City building improvements	-	1,159,242	-	-
Municipal courts	-	1,527,963	-	-
Communications systems	-	402,395	-	-
Encumbrances	-	-	-	1,029,386
Other	-	672,694	-	611,112
Total	$ 46,641	$ 217,806,209	$ 550,000	$ 10,969,495

(n) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in operating funds to maintain liquidity, as well as, anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to target a minimum fund balance, for operations, of 30% of annual revenues.

(o) Net Position

In the government-wide financial statements, the net position is reported in three components (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Pensions

The City has three pension plans, Firemen's Relief and Retirement Fund, Supplemental Benefit Plan and Texas Municipal Retirement System. Information about the fiduciary net position of the City's pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by each of the City's pension plans. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments in the plans are reported at fair value.

(2) Cash and Cash Equivalents and Investments

State statutes, the City's Investment Policy and the City's Depository and Investment Agreement govern the investments of the City (exclusive of the SBP). Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. The deposits and investments of the SBP are held separately from those of other City funds by an outside trustee appointed by the City.

Deposits – At September 30, 2017, the carrying amount of the City's (exclusive of SBP) deposits was $52,511,760 and the bank balance was $56,773,714 which was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Supplemental Benefit Plan deposits of $1,771,814, representing money market mutual funds, are held by a bank trust and are managed by independent investment managers for the ultimate benefit of City employees who participate. These investments are reported at fair value. At September 30, 2017, the City's cash on hand totaled $14,586.

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Investments – The City's investments held as of September 30, 2017, were as follows:

	Carrying Amount	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurement Using: Significant Other Observable Inputs (Level 2)
City - Pooled investments			
Federal Home Loan Bank Disc. Notes	$ 79,127,671	$ -	$ 79,409,515
Federal Home Loan Mortgage Assoc.	81,780,027	-	82,003,831
Federal Farm Credit Bank Disc. Notes	3,861,841	-	3,875,778
Federal Agricultural Mortgage Corporation	36,245,477	-	36,355,019
Treasury Bill	8,930,771	-	8,975,415
Texpool Investment Pool	85,417,417	-	-
TexStar Investment Pool	81,794,694	-	-
Wells Fargo Adv. Gov. Money Market Fund	17,557,197	-	-
Subtotal	394,715,095	-	210,619,558
Supplemental Benefit Plan (SBP)			
Fair Value:			
Federal National Mortgage Association	2,765	-	2,765
United States Treasury Notes	2,841,370	-	2,841,370
Common Stocks	24,623,245	24,623,245	-
Mutual Funds	4,365,310	-	4,365,310
Corporate Bonds	4,920,218	-	4,920,218
Alternative Investments/Hedge Funds	19,052,248	-	-
Subtotal	55,805,156	24,623,245	12,129,663
Total	$ 450,520,251	$ 24,623,245	$ 222,749,221

All of the above items with a maturity date of three months or less from date of purchase and investment pools are included in cash equivalents for financial reporting purposes.

Fair Value Measurement – The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which established three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for an asset or liability. For current year, City reflects no Level 3 inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, Investment Pools and Money Market accounts are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting. Texpool and TexStar investment pools are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

For the SBP (Plan), Commons Stock and Preferred Stock are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Alternative Investment/Hedge Funds are measured at NAV and are exempt from fair value reporting. TexSTAR and TexPool are external investments pools measured at amortized cost to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

For the City, U.S. Government Agencies, U.S. Treasury Notes, U.S. Treasury Bills and for the SBP Plan, US Government Agencies, US Treasury Notes, Mutual Funds, Corporate Bonds and Municipal Obligations are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City of Irving manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City of Irving monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio on a quarterly basis. The City's investment policy (exclusive of SBP Fund) limits the weighted average of its portfolio to 365 days for its operating funds. The policy requires that maturities in the capital project and debt service funds be sufficient to cover obligations in those funds. At September 30, 2017, the maximum weighted average maturity by investment type was 164 days. The SBP portfolio managed by Federated Investors in a Core Aggregate strategy is constrained in regards to duration to that of the benchmark index, the Barclays Capital U.S. Aggregate Index with a typical duration range that is +/- 20% of the duration of this benchmark index. A portion of the SBP fixed income is invested in Blackstone Real Estate Income Fund (BRIEF). BRIEF primarily invests in commercial mortgage backed securities, CMBS, and a broad range of predominantly liquid real estate debt instruments and is generally hedged to protect against interest rate changes. Another portion is invested in Blackstone Real Estate Debt Securities (BREDS). BREDS primarily invest in public or private debt relating to real estate assets or real estate companies or real estate related holdings.

Credit Risk – Generally, this is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized

statistical rating organization. By policy, the City of Irving requires a minimum rating of AAA or its equivalent on some investments. The City's investments in U.S. Agency securities (FHLB, FAMC, FHLMC and FNMA) were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively. The investment in Texas Local Government Pools (Texpool and Texstar) carried a credit rating of AAA by Standard and Poor's as of September 30, 2016. Credit risk of the overnight money market fund is not a perceived issue as the U.S. Government Agencies consistently maintain the highest credit ratings an organization can receive.

The investment policy of the SBP requires that the fixed income account managed by any manager shall maintain a weighted average credit rating that falls within the "A" category or better, as determined by the major credit ratings agencies at all times. Mutual funds and private investments are controlled by their respective legal documents. Fixed income securities for SBP made up 32.70% of total investments as of September 30, 2017.

Concentration of Credit Risk – The City of Irving limits investment in any investment type to a maximum of 50% of the portfolio except for investment pools which may be a maximum of only 20% of the portfolio excluding bond proceeds, per individual pool. For SBP, managers shall not invest more than 5% of the Funds' value in the issues of any one issuer, with the sole exceptions of the U.S. Government, its agencies, or instrumentalities. The strategic target for all fixed income investments shall range from 35%-100%. The SBP limits this type of risk by requiring a maximum of 25% of the market value of the entire fund in an industry, and a maximum of 5% in any one company with the sole exception of the U.S. Government, its agencies or instrumentalities.

Custodial Credit Risk – This is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires its collected deposits in excess of the federal depository insurance to be collateralized by the depository institution at the rate of 102.5% of the value of the deposits. The collateral must be in the form of an instrument authorized by the State of Texas Public Fund Investment Act held by the City's agent in the City's name.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied on October 1 on the taxable value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and are certified by the Appraisal Review Board. The taxable value for the beginning of fiscal year 2017 as provided by the Dallas County Tax Office was $22,913,845,695.

The City is permitted by Article XXI; Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of appraised valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Under the City Charter, however, a limit on taxes levied for the same governmental services has been established at $1.50 per $100 of appraised valuation. The tax rate for the year ended September 30, 2017 was $.5941 ($.4641 for general government and $.1300 for debt service) per $100 of appraised valuation. Thus, the City has a tax margin of $0.90 per $100 and could levy up to approximately $206 million in taxes per year from the present appraised valuation.

Taxes are due immediately following the October 1 levy date and are considered delinquent after the following January 31. Current tax collections for the year ended September 30, 2017 were 99.48% of the adjusted tax levy.

Delinquent property taxes of $1,471,243 and $483,309 are included in taxes receivable in the General Fund and Debt Service Fund, respectively.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this system, the City sets tax rates on City property.

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(4) Receivables

Receivables at September 30, 2017 for Governmental Activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General	Debt Service	TIF	Non-major Funds	Internal Service	Total Governmental Activities
Property taxes	$ 2,025,966	$ 638,693	$ -	-	$ -	$ 2,664,659
Sales taxes	11,403,356	-	-	-	-	11,403,356
Hotel occupancy taxes	-	-	-	6,741,648	-	6,741,648
Franchise fees	4,840,840	-	-	91,714	-	4,932,554
Municipal court receivable	14,828,105	-	-	-	-	14,828,105
Accrued interest	227,693	67,952	47,064	168,360	105,052	616,121
Accounts receivable	2,912,916	-	-	1,057,446	1,035,676	5,006,038
Total gross receivables	36,238,876	706,645	47,064	8,059,168	1,140,728	46,192,481
Less allowance for doubtful accounts						
Property Taxes	(547,328)	(172,547)	-	-	-	(719,875)
Municipal court receivable	(14,373,505)	-	-	-	-	(14,373,505)
Accounts receivable	(1,211,236)	-	-	-	(59,807)	(1,271,043)
Total allowance	(16,132,069)	(172,547)	-	-	(59,807)	(16,364,423)
Total receivables, net	$ 20,106,807	$ 534,098	$ 47,064	8,059,168	$ 1,080,921	$ 29,828,058

Receivables at September 30, 2017 for the City's enterprise funds net of allowance for uncollectible accounts consist of the following:

Receivables	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Business-type Activities
Accounts receivable	$ 20,682,861	$ 1,617,564	$ 401,448	$ 22,701,873
Accrued interest	139,156	3,841	1,053	144,050
Accrued interest, restricted	106,488	-	2,128	108,616
Total gross receivables	20,928,505	1,621,405	404,629	22,954,539
Less allowance for doubtful accounts	(1,166,596)	(272,963)	(102,740)	(1,542,299)
Total receivables, net	$ 19,761,909	$ 1,348,442	$ 301,889	$ 21,412,240

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	$ 1,478,638	$ -
Municipal court receivable (general fund)	103,288	-
Accounts receivable (general fund)	142,629	-
Delinquent property taxes receivable (debt service fund)	466,146	-
TxDOT lease agreement (general fund)	-	760,156
Grant drawdowns prior to meeting all eligibility requirements (non-major governmental funds)	-	983,499
Total unavailable/unearned for governmental funds	$ 2,190,701	$ 1,743,655

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(5) Capital Assets

Capital asset balances and activity for the year ended September 30, 2017 was as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 104,045	$ 1,740	$ -	$ 105,785
Works of Art	2,174	-	-	2,174
Construction in progress	63,087	42,426	7,624	97,889
Total capital assets not being depreciated	169,306	44,166	7,624	205,848
Capital assets being depreciated:				
Buildings and improvements	265,454	8,179	-	273,633
Equipment	128,231	9,700	2,533	135,398
Infrastructure	478,102	9,695	-	487,797
Total capital assets being depreciated at historical cost	871,787	27,574	2,533	896,828
Less accumulated depreciation for:				
Buildings and improvements	58,519	5,342	-	63,861
Equipment	79,554	8,580	2,533	85,601
Infrastructure	186,144	12,363	-	198,507
Total accumulated depreciation	324,217	26,285	2,533	347,969
Total depreciable capital assets, net	547,570	1,289	-	548,859
Governmental activities capital assets, net	$ 716,876	$ 45,455	$ 7,624	$ 754,707

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Total business-type activities:				
Capital assets not being depreciated:				
Land	$ 8,548	$ 7	$ -	$ 8,555
Construction in progress	33,896	17,995	11,425	40,466
Total capital assets not being depreciated	42,444	18,002	11,425	49,021
Capital assets that are being depreciated:				
Water rights	20,940	-	-	20,940
Plant	705,555	29,281	79	734,757
Total capital assets being depreciated, at historical cost	726,495	29,281	79	755,697
Less accumulated depreciation for:				
Water rights	5,529	420	-	5,949
Plant	272,096	17,358	70	289,384
Total accumulated depreciation	277,625	17,778	70	295,333
Total depreciable capital assets, net	448,870	11,503	9	460,364
Business-type activities capital assets, net	$ 491,314	$ 29,505	$ 11,434	$ 509,385

Depreciation expense was charged to functions/programs as follows (in thousands):

	Governmental Activities	Business-Type Activities
General government	$ 7,194	$ -
Police	1,663	-
Fire	1,825	-
Public health and environmental services	1,345	-
Parks and recreation	2,958	-
Municipal court	109	-
Library	830	-
Planning and development	45	-
Drainage utilities	225	-
Public works	10,091	-
Solid Waste	-	664
Municipal drainage	-	1,301
Water and sanitary sewer	-	15,813
	$ 26,285	$ 17,778

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The governmental activities construction in progress is funded principally by general obligation bonds or special revenue bonds and is comprised of the following as of September 30, 2017 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2017	Commitments For Future Expenditures
Storm Sewer	$ 14,501	$ 11,489	$ 3,012
Park Improvement	2,107	401	1,706
Fire	2,423	2,394	29
Entertainment venue	36,798	36,649	149
City Building Improvement	9,181	9,088	93
Non-Bond CIP	4,137	1,000	3,137
Street Improvement	47,389	36,868	10,521
Radio Communication	338	-	338
Total governmental activities	$ 116,874	$ 97,889	$ 18,985

The business-type activities construction in progress is funded principally by revenue bonds and utility operations and is composed of the following as of September 30, 2017 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2017	Commitments For Future Expenditures
Water Improvement	$ 11,073	$ 7,515	$ 3,558
Sewer Improvement	9,562	6,575	2,987
Water and Sewer	29,155	19,558	9,597
Municipal Drainage	4,409	4,023	386
Solid Waste	3,234	2,795	439
Total business-type activities	$ 57,433	$ 40,466	$ 16,967

(6) Capital Leases

The City entered into a lease agreement as lessee for financing the acquisition of various fire equipment which is payable from governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through a capital lease are as follows:

		Governmental Activities
Assets:		
Equipment	$	9,377,597
Less: Accumulated depreciation		(2,069,860)
Total	$	7,307,737

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017 are as follows:

Year ending September 30		Governmental Activities
2018	$	1,364,158
2019		1,364,158
2020		1,364,159
2021		1,127,381
2022		679,801
Total minimum future lease payments		5,899,657
Less: Amount representing interest		(232,390)
Present value of minimum lease payments	$	5,667,267

(7) Long-Term Debt

Bonds payable at September 30, 2017 are comprised of the following:

	Governmental Activities
General Obligation Bonds	
$32,725,000 General Obligation Bonds, Series 2008 due in annual principal payments ranging from $1,635,000 to $1,640,000 through September 15, 2018. Rates range from 3.5% to 4.5%.	$ 1,635,000
$4,000,000 Combination Tax and Revenue Certificates of Obligation. Series 2008 due in annual principal payments of $200,000 through September 15, 2018. Rates range from 3.25% to 4.6%.	200,000
$39,155,000 General Obligation Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $890,000 to $3,680,000 through September 15, 2029. Rates range from 2.5% to 5%.	14,180,000
$17,975,000 General Obligation Bonds, Series 2010 due in annual principal payments ranging from $895,000 to $900,000 through September 15, 2030. Rates range from 2% to 5%.	11,675,000
$34,770,000 General Obligation Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $105,000 to $7,930,000 through September 15, 2031. Rates range from 2.0% to 5.0%.	33,385,000
$22,350,000 General Obligation Refunding and Improvement Bonds, Series 2012 due in annual principal payments ranging from $605,000 to $1,680,000 through September 15, 2032. Rates range from .05% to 3%.	17,705,000
$17,835,000 General Obligation Bonds, Series 2013 due in annual principal payments ranging from $890,000 to $895,000 through September 15, 2033. Rates range from 2% to 4.5%.	14,255,000
$19,860,000 General Obligation Bonds, Series 2014 due in annual principal payments ranging from $985,000 to $1,000,000 through September 15, 2034. Rates range from 3% to 5%.	16,860,000
$22,770,000 General Obligation Refunding and Improvement Bonds, Series 2015 due in annual principal payments ranging from $620,000 to $4,730,000 through September 15, 2035. Rates range from 2% to 4%.	16,355,000
$43,195,000 General Obligation Refunding and Improvement Bonds, Series 2016 due in annual principal payments ranging from $1,185,000 to $8,445,000 through September 15, 2036. Rates range from 4% to 5.5%.	34,750,000
$30,080,000 General Obligation Bonds, Series 2017A due in annual principal payments ranging from $235,000 to 3,105,000 through September 15, 2037. Rates range from 3% to 5%.	30,080,000
$30,405,000 General Obligation Refunding bonds, Series 2017B due in annual principal payments ranging from $1,205,000 to $2,885,000 through September 15, 2029. Rates range from 4% to 6%.	30,405,000
	$ 221,485,000

Special Revenue Bonds		
$125,940,000 Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2009 due in annual principal payments ranging from $150,000 to $11,850,000 through September 15, 2039. Rates range from 3.625% to 5.087%.	$	125,255,000
$8,750,000 Combination Tax and Revenue Certificates of Obligation, Series 2013A due in annual principal payments ranging from $40,000 to $780,000 through September 15, 2032. Rates range from 2% to 3%.		8,590,000
$3,210,000 Combination Tax and Revenue Certificates of Obligation, Series 2013B due in annual principal payments ranging from $40,000 to $250,000 through September 15, 2032. Rates range from 2% to 3.125%.		3,050,000
$5,775,000 General Obligation Refunding Taxable Bonds, Series 2013 due in annual principal payments ranging from $625,000 to $695,000 through September 15, 2021. Rates range from 1% to 2.25%.		2,700,000
$20,725,000 Combination Tax and Revenue Certificates of Obligation, Series 2014 due in annual principal payments ranging from $395,000 to $2,010,000 through September 15, 2033. Rates ranges from 3% to 5%.		20,725,000
$24,660,000 Hotel Occupancy Tax Revenue Refunding Bonds, Taxable Series 2014A due in annual principal payments ranging from $195,000 to $1,805,000 through August 15, 2053. Rates range from 4.606% to 7.25%.		24,660,000
$39,655,000 Hotel Occupancy Tax Revenue Bonds, Tax-Exempt Series 2014B due in annual principal payments ranging from $190,000 to $3,375,000 through August 15, 2043. Rates range from .65% to 5.5%.		37,255,000
$13,025,000 Combination Tax and Revenue Certificates of Obligation, Taxable Series 2017A due in annual principal payments ranging from $155,000 to $995,000 through September 15, 2037. Rates range from 3.1% to 3.65%		13,025,000
$25,040,000 Combination Tax and Revenue Certificate of Obligation, Taxable Series 2017B due in annual principal payments ranging from $395,000 to $1,775,000 through September 15, 2046. Rates range from 3.25% to 3.5%		25,040,000
	$	260,300,000
Revenue Bonds		
$29,095,000 Solid Waste Disposal System Revenue Refunding Taxable Bonds, Series 2012 due in annual principal payments ranging from $150,000 to $2,365,000 through September 30, 2032. Rate is fixed at 4.67% for 15 years, thereafter based on adjusted LIBOR rate plus 270 basis points.		26,295,000
	$	26,295,000

Business-Type Activities

Revenue Bonds

$12,115,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2008 due in annual principal payments ranging from $890,000 to $1,350,000 through August 15, 2028. Rates range from 4% to 4.5%.	$	890,000
$21,475,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $680,000 to $2,595,000 through August 15, 2029. Rates range from 3% to 5%.		12,550,000
$69,005,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $1,370,000 to $6,165,000 through August 15, 2031. Rates range from 4.5% to 5%.		36,820,000
$40,035,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2012, due in annual principal payments ranging from $630,000 to $3,745,000 through August 15, 2032. Rates range from 1% to 3%.		25,350,000
$17,430,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2013, due in annual principal payments ranging from $600,000 to $1,210,000 through August 15, 2033. Rates range from 2% to 4.25%.		14,870,000
$17,095,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2015, due in annual principal payments ranging from $470,000 to $1,265,000 through August 15, 2035. Rates range from 2% to 4%.		16,625,000
$30,265,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2016, due in annual principal payments ranging from $775,000 to $2,875,000 through August 15, 2036. Rates range from 3% to 5%.		27,530,000
$19,910,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2017A, due in annual principal payments ranging from $365,000 to $1,400,000 through August 15, 2037. Rates range from 3% to 5%.		19,910,000
$19,285,000 Waterworks and Sewer System New Lien Revenue Refunding Bonds, Series 2017B, due in annual principal payments ranging from $40,000 to 2.265,000 through August 15, 2028. Rates range from 2% to 5%.		19,245,000
$2,120,000 Municipal Drainage Utility System Revenue Bonds, Series 2010 due in annual principal payments ranging from $80,000 to $145,000 through August 15, 2030. Rates range from 2% to 4.25%.		1,510,000
$2,660,000 Municipal Drainage Utility System Revenue Bonds, Series 2013 due in annual principal payments ranging from $95,000 to $190,000 through August 15, 2033. Rates range from 2% to 4.375%.		2,270,000
	$	177,570,000

Long-term liability activity for the year ended September 30, 2017 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds:					
General obligation bonds	$ 214,235	$ 60,485	$ 53,235	$ 221,485	$ 19,540
Special revenue bonds	223,950	38,065	1,715	260,300	2,940
Revenue bonds	27,490	-	1,195	26,295	1,250
Net premiums	10,614	7,650	2,234	16,030	2,493
Total bonds payable	476,289	106,200	58,379	524,110	26,223
Other liabilities:					
Liability for insurance claims	9,398	23,025	24,118	8,305	4,618
Lease payable	2,229	4,037	599	5,667	1,279
Compensated absences	30,993	15,213	14,371	31,835	1,592
OPEB liability	8,848	893	-	9,741	-
Net pension liability	160,549	6,590	-	167,139	-
Other obligations:					
NCTCOG	976	-	-	976	976
State comptroller	1,373	-	1,080	293	293
Total other liabilities	214,366	49,758	40,168	223,956	8,758
Total governmental activities long term liabilities	$ 690,655	$ 155,958	$ 98,547	$ 748,066	$ 34,981

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds and contractual obligations payable payable:					
Revenue bonds	$ 175,000	$ 39,195	$ 36,625	177,570	$ 15,970
Net premiums	9,368	4,022	1,739	11,651	1,827
Water supply obligations	16,902		344	16,558	355
OPEB liability	1,052	81	-	1,133	-
Net pension liability	14,827	409	-	15,236	-
Landfill closure and postclosure care liability	5,142	250	-	5,392	-
Compensated absences	1,031	1,058	987	1,102	55
Total business-type activities long-term liabilities	$ 223,322	$ 45,015	$ 39,695	$ 228,642	$ 18,207

The City intends to retire its general obligation bonds, plus interest, from future ad valorem taxes and other revenues. Special revenue bonds, plus interest, will be repaid from future revenues such as hotel occupancy taxes, ad valorem taxes, public improvement district assessments, city and state local taxes and mixed beverage taxes. Solid Waste Disposal System Revenue bonds will be repaid from budgeted economic development revenues of the General Fund. Compensated absences, net pension obligations and net other postemployment benefit obligations are generally liquidated by the General Fund. The City has other obligations payable to North Central Texas Council of Governments (NCTCOG) and is payable per a land bank agreement and amount is estimated to be due in fiscal year 2018 and will be paid from available economic development funds in the General Fund. The amount payable to the State Comptroller of Texas is being repaid from future sales tax revenue over the next year. The liability is for sales tax previously allocated to the City, but determined,

through taxpayer audits, to be due back to the taxpayer or to another city. Revenue bonds and water supply obligations of the Water and Sanitary Sewer Enterprise Fund and Municipal Drainage revenue bonds will be repaid, plus interest, from the net operating revenues of the funds. Future obligations for landfill closure and compensated absences will be funded using current and future revenues.

Annual debt service requirements to maturity for long-term bonded debt are as follows (in thousands):

Governmental Activities	General Obligation Bonds		Special Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2018	$ 19,540	$ 10,757	$ 2,940	$ 12,868	$ 1,250	$ 1,228
2019	16,465	8,487	3,980	12,185	1,305	1,169
2020	20,370	7,749	4,560	12,067	1,370	1,112
2021	19,360	6,821	5,600	11,915	1,430	1,045
2022	18,210	5,954	6,215	11,717	1,500	978
2023-2027	68,025	19,177	44,065	53,948	8,620	3,773
2028-2032	41,365	7,421	60,550	43,023	10,820	1,563
2033-2037	18,150	1,621	66,530	28,312	-	-
2038-2042	-	-	44,155	12,008	-	-
2043-2047	-	-	12,555	5,068	-	-
2048-2052	-	-	7,345	2,326	-	-
2053	-	-	1,805	131	-	-
Total	$ 221,485	$ 67,987	$ 260,300	$ 205,568	$ 26,295	$ 10,868

Business-Type Activities	Revenue Bonds		Water Supply Obligations	
	Principal	Interest	Principal	Interest
Years ending September 30:				
2018	$ 15,970	$ 8,101	$ 355	$ 539
2019	16,320	6,632	367	527
2020	15,875	5,882	379	515
2021	15,065	5,170	391	503
2022	13,365	4,571	404	490
2023-2027	52,165	15,421	2,225	2,245
2028-2032	34,355	6,070	2,611	1,859
2033-2037	14,455	1,270	3,064	1,405
2038-2042	-	-	3,169	874
2043-2047	-	-	1,868	467
2048-2051	-	-	1,725	142
Total	$ 177,570	$ 53,117	$ 16,558	$ 9,566

(a) General Obligation Bonds

On April 4, 2017, the City of Irving issued $30,080,000 in General Obligation Bonds, Series 2017A and $30,405,000 in General Obligation Refunding Bonds, Series 2017B. Series 2017A proceeds will be used to provide (a) $8,900,000 for street improvements, (b) $2,435,000 in park improvements, (c) $6,665,000 landfill improvements, (d) $800,000 in fire services improvements, (e) $13,000,000 in drainage improvements and (f) the cost associated with the issuance of bonds. These 20 year bonds have interest rates that range from 3% to 5%. Principal payments range from $235,000 to $3,105,000 and are payable annually and interest is payable semi-annually until maturity (September 15, 2037). Amount of $35,184,607, comprised of Series 2017B bonds and premiums were deposited with the escrow agent to purchase obligations authorized by Chapter 1207, Texas Government Code. The bonds have interest rates that range from 4% to 6%. Principal payments range from $1,205,000 to $2,885,000 and are payable annually and interest is payable semi-annually until bonds mature (September 15, 2029). The reacquisition price exceeded the net carrying value of the old debt by $1,249,607. This amount will be amortized over the life of the refunding debt which is the same as the new debt. As a result, the $33,935,000 refunded obligation have been redeemed or are considered defeased and the liability for the bonds has been removed from the City's financial statements. Also, the city decreased its debt service payments by $3,774,200, and incurred an economic gain (difference between present value of debt service payments of old and new) of $3,216,269. The bonds are payable from ad valorem taxes and other revenues.

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current principal and interest installments as they become due. The Debt Service Fund has $9,931,310 available to service the general obligation bonds as of September 30, 2017. The remaining fund balance is available to service special revenue bonds, as well as, revenue bonds.

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2017, no rebate liability was accrued on General Obligation Bonds.

(b) Special Revenue Bonds

On March 30, 2017, the City of Irving issued $13,025,000 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2017A and $25,040,000 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2017B. Series 2017A proceeds will be used for designing, developing, constructing and equipping a convention center parking facility and the cost associated with the issuance of bonds. Series 2017B proceeds will be used for designing, developing, constructing and equipping convention center meeting facilities, paying capitalized interest and cost associated with issuing the bonds. Series 2017A are 20 year bonds with interest rates ranging from 3.1% to 3.65%. Principal payments range from $155,000 to $995,000 and are payable annually and interest is payable semi-annually until maturity (September 15, 2037). Series 2017B are 29 year bonds with interest rates ranging from 3.25% to 3.5%. Principal payments range from $395,000 to $1,775,000 and are payable annually and interest is payable semi-annually until maturity (September 15, 2046).

The Combination Tax and Revenue Certificates of Obligation Bonds are Special Revenue bonds secured and payable from a pledge of ad valorem taxes, as well as, other specified pledged revenue such as (a) special assessments levied within the Public Improvement District, (b) State sales taxes, State hotel occupancy taxes, City's sales taxes, mixed beverage taxes paid within the Convention

Center Hotel project for a ten year period and (c) 5/7th of the hotel occupancy tax collected at the Convention Center Hotel project.

The Hotel Occupancy Tax Revenue Bonds, Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation and the General Obligation Refunding Taxable Bonds are Special Revenue Bonds secured and payable from a pledge of both hotel occupancy taxes and ad valorem taxes.

The City is required by Bond Ordinance to create and maintain an Interest and Sinking Fund to be used for the payment of debt service on the Special Revenue Bonds outstanding. These funds are restricted in use as explained below.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Special Revenue Bonds as they become due and payable. The City is required to make quarterly deposits to the fund to meet the debt service requirements. Amounts available to service the Special Revenue Bonds totaled $2,613,775.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Special Revenue Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. As of September 30, 2017, the total amount required to be accumulated in the Reserve Fund is $16,577,175. Actual accumulation in the Reserve fund at September 30, 2017 is $16,654,353.

(c) Solid Waste Disposal System (Heritage) Revenue Bonds

The Solid Waste Disposal System (Heritage) Revenue Bonds are payable solely from and secured by a lien on and pledge of the Solid Waste Disposal System revenues; the debt service payments are made from the General Fund; therefore, the bonds are reflected as governmental activities.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Solid Waste Disposal System Revenue Bonds as they become due and payable. The City is required to make monthly deposits to the fund to meet the debt service requirements. Amounts available as of September 30, 2017 to service the Revenue Bonds totaled $21,658.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Solid Waste Disposal System Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. On June 7, 2012, the reserve requirement for these revenue bonds was established at $2,418,815 which is determined by the lesser of (i) Maximum Annual Debt Service at date of issuance, (ii) 125% of average Debt Service or (iii) 10% of the original principal of bonds at date of issuance. As of September 30, 2017, the total amount required to be accumulated in the Reserve Fund is $2,481,815. Actual accumulation in the Reserve fund at September 30, 2017 is $2,520,597.

(d) Municipal Drainage Utility System Revenue Bonds

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the Municipal Drainage Utility.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Municipal Drainage Utility System Revenue Bonds as they become due and

payable. The City is required to make equal monthly installments to the fund to meet the debt service requirements. Amounts available to service the Municipal Drainage Utility System Revenue Bonds totaled $349,095 at September 30, 2017.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the revenue bonds if the amount in the Bond Fund is insufficient for such purpose. As of September 30, 2017, the total amount required to be accumulated in the Reserve Fund is $319,217. Actual accumulation in the Reserve fund at September 30, 2017 is $329,638.

*(e) **Water and Sanitary Sewer Revenue Bonds***

On April 4, 2017, the City sold $19,910,000 of Waterworks & Sewer System New Lien Revenue Improvement bonds, Series 2017A and $19,285,000 of Waterworks and Sewer System New Lien Revenue Refunding Bonds series 2017B. The 2017A series bond proceeds are to be used for certain improvements and extensions to the City's Waterworks and Sewer System and pay the cost associated with the issuance of the bonds. The 2017B series bond proceeds and premiums received from the bonds sales were used refund a portion of the city's outstanding debt consisting of $9,880,000 of Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2007 (redeemed on August 15, 2017) and $11,225,000 of Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2008 (to be redeemed on August 15, 2018). As a result, $21,105,000 of refunded obligation have been redeemed or considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The reacquisition price exceed the net carrying amount of the old debt by $770,047. The amount is being amortized over the life of the refunded debt which is the same as the life of the new debt issued. This refunding resulted in an economic gain of $2,042,514 and a reduction of $2,359,858 in debt service payments.

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System (the System).

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2017, no rebate liability was accrued on Water and Sewer Revenue Bonds.

The City is required by Bond Ordinance to create and maintain certain funds to be held for the payment of debt service on the outstanding Revenue Bonds. These funds, as fully explained below, are restricted in use and held by the City.

New Lien Interest and Sinking Fund – The New Lien Interest and Sinking Fund is used to pay principal and interest on the New Lien Revenue Bonds as they become due and payable. The City is required to make equal monthly deposits to the fund to meet the debt service requirements. As of September 30, 2017, the amount required should be 1/12 of the next principal payment and 1/6 of the next interest payment totaling $1,960,653. Amounts held in the New Lien Interest and Sinking Fund totaled $3,014,204 at September 30, 2017.

New Lien Reserve Fund – The New Lien Reserve Fund is used to pay principal and interest on the New Lien Revenue Bonds falling due at any time amounts in the New Lien Interest and Sinking Fund are insufficient to meet such payments. The Bond Ordinance requires the City to maintain an amount equal to greater of (i) 50% of the average annual principal and interest requirements of all outstanding bonds or (ii) 33.3% of the maximum annual principal

and interest requirements of all outstanding bonds. Based on the outstanding New Lien Revenue Bonds at September 30, 2017, the total amount required to be accumulated within 60 months in the New Lien Reserve Fund is $7,738,656. Amounts held in the New Lien Reserve Fund at September 30, 2017 totaled $7,738,656.

Compliance with Debt Covenants – At September 30, 2017, and for the year then ended, management believes that the City was in compliance with all financial bond covenants on outstanding revenue and general obligation debt.

(f) Water Supply

On March 29, 1968, the City entered into a water supply contract (the Agreement) with the U.S. government whereby the City has received the right to utilize a specified supply of water stored at Lake Chapman (formerly Cooper Reservoir), which has been designated for municipal and industrial use. The City began amortizing these rights in fiscal year 2004 over the term of the related obligation of 50 years. Interest rate on the obligation is 3.25%.

Under the provisions of the Agreement, the City has incurred a contractual obligation which represents a specified percentage of the construction costs of the Lake by the U.S. Army Corps of Engineers, including estimated future operation, maintenance, and replacement costs after completion of the project.

The first payment for initial water supply use was due and payable within 30 days following the date upon which the Lake became operative for other purposes (date of deliberate impoundment September 28, 1991). Payments thereafter are due within 30 days of the anniversary date of the first payment. The first payment for future water supply use was due and payable within 30 days of the 10th anniversary of the date of notification of deliberate impoundment.

(g) Defeased Bonds Outstanding – In current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2017, $31,410,000 of bonds outstanding are considered defeased.

(8) Contractual Obligations for Water Supply and Wastewater Treatment

Long-term contracts between the City and other governmental authorities give the City specified rights to water supply and wastewater treatment, in return for payment of costs to construct facilities serving the City and a portion of the operating expenses of those facilities.

Wastewater Treatment

On March 16, 1973, the City entered into an agreement with the Trinity River Authority (TRA) whereby TRA agreed to provide a wastewater treatment and disposal system for the benefit of the City and other cities located within the Upper Trinity River Basin. Each city pays its proportionate share of operating expenses and debt service of TRA. The City's annual payment for the year ended September 30, 2017 was $22,896,870. The agreement will remain in effect through the year 2023 or until any outstanding bonds or refunding bonds have been paid in full.

Water Supply

On February 22, 1955, the City, the City of Grand Prairie and the City of Dallas entered into an agreement whereby Dallas would provide treated water supply. The current contract expires in 2033. The annual payment for the year ended September 30, 2017 was $5,339,948.

On June 30, 2003, the City entered into an agreement with the City of Dallas whereby Dallas would provide treatment of and storage for the City's water from Jim Chapman Lake for thirty years. The annual payment for the year ended September 30, 2017 was $6,914,963.

(9) Inter-fund Balances

(a) ***Inter-fund Receivables and Payables:*** Inter-fund receivable and payable balances at September 30, 2017 were as follows:

	Receivables	Payables
General fund	$ 1,051,834	$ -
TIF	-	13
Non-major governmental	-	1,051,821
Total	$ 1,051,834	$ 1,051,834

Inter-fund receivables and payables consist of:

- Administrative fees for the collection, accounting and distribution of hotel occupancy taxes due to General Fund.
- Receivables due from various non-major funds to the General fund;

These balances are expected to be liquidated during the next fiscal year.

(b) ***Inter-fund Receivables and Payables: Inter-fund Transfers:*** Transfers are made from one fund to the other for services or assets provided to other funds. Transfers made between funds during the year are listed below.

	Transfers In					
	General Fund	Debt Service Fund	TIF	Non-major Governmental	Solid Waste	Total
Transfers out:						
General Fund	$ -	$ 2,478,783	$ 8,114,479	$ 1,582,449	$ -	$ 12,175,711
TIF	301,788	1,291,833	-	-	-	1,593,621
Internal Service	-	-	-	-	791,577	791,577
Non-major governmental funds	1,305,110	4,592,905	-	500,000	-	6,398,015
Solid Waste	-	647,842	-	-	-	647,842
	$ 1,606,898	$ 9,011,363	$ 8,114,479	$ 2,082,449	$ 791,577	$ 21,606,766

Inter-fund transfers consist of:

- General Fund to Debt Service for debt payments of revenue bonds;
- Convention Center Complex and Entertainment Venue, and Solid Waste funds to the Debt Service Fund to pay for the debt related to these activities;
- General Fund to several grants within the non-major governmental fund for grant activities and projects;
- Transfers between General Fund and Tax Increment Financing District (TIF) pertain to City's participation in TIF.
- TIF to Debt Service for debt service payments.
- Transfers within non-major governmental funds to pay for capital projects.
- Transfer from Internal Service Fund to Solid Waste Fund pertain to capital asset transfers.

(10) Self-Insurance Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and outstanding medical claims. During fiscal year 1989, the City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of $500,000 for each workers' compensation, employer liability claim, and combined workers' compensation and employer liability, and all physical damages to City vehicles. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded their commercial coverage for any of the past three fiscal years. The City also accounts for the provision of employee health insurance through the City-sponsored PPO and indemnity plan. Premiums are paid into the fund by the City and by employees. Premiums are set by actuaries at an amount to cover claims, fees, administrative costs and the purchase of excess reinsurance. All actuarial-determined, outstanding medical claims are expected to be paid within the next twelve months.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on historical cost and actuarial estimates of the amounts needed to pay any unfunded portions of prior year claims and estimated current year claims and to establish a reserve for catastrophic losses. The reserve was $20,609,594 at September 30, 2017, which is represented by the net position of the City's Self-Insurance Fund. The claims liability of $8,304,793 reported in the fund at September 30, 2017 is based on the requirements of GASB No. 10, as amended, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It requires that a liability for claims be reported if information, prior to the issuance of the financial statements, indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Effective January 1, 2007, the City no longer offered an HMO insurance plan. Employees previously in the HMO plan had the option to elect the City-sponsored PPO plan. The increase in participants resulted in increase in claims activity. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable material, salvage, and subrogation. Changes in the estimated liability for unpaid claims in fiscal years 2016 and 2017 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2015-2016	$ 8,592,777	$ 25,314,694	$ 24,509,268	$ 9,398,203
2016-2017	$ 9,398,203	$ 23,024,740	$ 24,118,150	$ 8,304,793

(11) Employee Pension Plans

The City participates in three retirement plans at September 30, 2017. The Firemen's Relief and Retirement Fund (FRRF) is a defined benefit plan covering the City's firefighters. The Supplemental Benefit Plan is a contributory defined benefit plan covering all full-time City employees (excluding Fire Civil Service employees and nonresident aliens). The City is also a member of the Texas Municipal Retirement System (TMRS). TMRS is a statewide agent multi-employer, joint contributory, hybrid-defined benefit plan.

For employees participating in FRRF or TMRS, the total annual amount of the City contribution for retirement benefits for such employees shall not exceed 16.75% of the total annual salaries of such employees.

The FRRF and the Supplemental Benefit Plan are reported using the economic resources measurement focus and the accrual basis of accounting. Contributions, benefits, and refunds paid are recognized when due.

(a) Firemen's Relief and Retirement Fund (FRRF)

The Board of Trustees of the Irving FRRF is the administrator of the FRRF, a single-employer contributory defined benefit pension plan. FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as the determination of employee contribution rates, without approval by the City, and the board is not appointed by the City Council. FRRF covers current and former Fire Department personnel of the City, as well as certain beneficiaries of former Fire Department personnel. Separate audited financial statements are available and can be obtained by contacting Irving Fire Department at the City of Irving, 845 W. Irving Blvd, Irving, Texas 75060.

All full-time employees of the City of Irving Fire Department are members of the Irving FRRF.

Benefits: Members and the City each contribute to the Fund. Members contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a member's contributions are excluded from his taxable income when paid into the Fund.

Members receive credit for service for the period of employment during which they pay into, and keep on deposit in the Fund, the contributions required by the Fund. Service also includes periods during which the member received a disability benefit from the Fund in excess of the minimum

$200 monthly benefit for covered members. However, the service granted during periods of disability is limited to the amount of service, if any, necessary to bring the member's total service up to 20 years.

Retirement, death, disability and terminations benefits are calculated based upon a member's average compensation. Average compensations is based on the member's pay for the 78 consecutive two-week pay periods during which his total pay was the highest.

Service retirement benefits are payable for the member's lifetime. In the event a member's death precedes that of their spouse, two-thirds of the member's pension will be continued to the spouse for their lifetime. A member is eligible to elect early retirement upon completion of 20 years of service and attainment of age 45. A member who retires under the early retirement provisions of the Fund will receive reduced monthly retirement benefits.

In the event of the disability of a plan participant before the date the plan participant qualifies for a service retirement benefit, the plan participant will receive a monthly benefit, payable in the same form as the service retirement benefit. However, disability benefits stop if a member recovers to the point they no longer meet the definition of disability under the plan.

In the event of the death of a plan participant who is in active service, the plan participant's spouse will receive a monthly benefit equal to the sum of 42.33 percent of the member's average monthly compensation, plus two-thirds of the monthly retirement benefit which the member had accrued as of the date of his or her death. This benefit is payable for the spouse's lifetime; however, in the event of the spouse's death, the benefit is continued to the children eligible for the orphan's benefit.

The sum of all benefits payable on behalf of a plan participant may not exceed the service retirement benefit to which participant was entitled as of the date of participant's death. In the event such benefits do exceed this limit, each beneficiary's benefit is reduced pro rata until the sum of the benefits complies with this limitation.

If a plan participant has completed at least 20 years of service but has not attained age 50 on participant's date of termination, participant will be entitled to receive a monthly retirement income commencing at age 50. The amount of such benefit will equal the monthly retirement benefit the plan participant had earned as of participant's date of termination.

Plan participants who terminate service prior to the date they complete ten years of service will be entitled to receive the return of their employee contributions. However, plan participants who terminate with at least ten years of service may elect to receive, in lieu of their accumulated contributions, a monthly retirement benefit, commencing on the date the plan participant would have both attained age 50 and completed 20 years of service, equal to a pro rata share of participant's anticipated retirement benefit at date of termination, multiplied by the appropriate vested percentage.

The types of employees covered and current plan membership as of December 31, 2016 (the date of the most recent Plans financial statement) are as follows:

Retirees and beneficiaries currently receiving benefits	180
Terminated employees entitled to but not yet receiving benefits	1
Active members	360
Total	541

Contributions: The Irving FRRF is subject to a state-mandated minimum employer contribution rate equal to the lessor of (a) the fire fighter contribution rate or (b) 12 percent of covered payroll. The contribution rates of Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed every two years to evaluate the levels to which Plan assets and contributions are able to meet the benefit liability. Cost of administering the Fund are paid form Plan assets.

The member's contribution rate was 12 percent of their covered payroll from October 1, 2016 to January 14, 2017 and 12.5% of covered payroll from January 15, 2017 to September 30, 2017. The City made contributions of 15.65% of covered payroll from October 1, 2016 to December 31, 2016 and 16.75% of covered payroll from January 1, 2017 to September 30, 2017.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation prepared as of December 31, 2015.

Actuarial assumptions: The TPL was determined using the following assumptions utilized in the preparation of the actuarial report prepared as of December 31, 2015:

Inflation	3.00%
Salary increases	3.00% to 11.30%, including inflation
Investment Rate of Return	8.25%, net of pension plan investment expense, including inflation

Salary increases were based on service related tables. Mortality rates were changed from RP2000 Mortality Table, male and female rates, projected to 2015 using scale AA, with separate rates from males and females to the Employee and Healthy Annuitant Combined Rates from the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females. The mortality changes were made in order to recognize mortality improvement through the valuation date and provide a margin for future mortality improvements. The assumed retirement age and the salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. The actuarial cost method used in the valuation is the individual entry age normal actuarial.

The assumed retirement age for active members are based on a study which developed rates of retirement for ages 50 through 62, the age at which the large majority of retirements occur. Twenty years of service is required in order to be eligible for service retirement under the fund. The rate at which active members' salary is assumed to increase each year is 4.25% compounded annually.

The assumed 8.25 percent rate of return can be considered to include a provision for inflation at 3 percent per year, although other combinations of real return, risk premium and inflation are also accounted for by an 8.25 percent assumed rate. The rate of return is net of Plan expenses. The

same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and other actuarial assumptions.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	9.74%	0.34%
Large Cap Growth	11.93%	0.86%
Large Cap Value	13.45%	1.15%
Small and Mid Cap Growth	5.63%	0.42%
Small and Mid Cap Value	3.80%	0.36%
Emerging Markets	5.00%	0.29%
International Equity	15.74%	0.95%
Real Estate	15.31%	1.43%
Absolute Return	6.77%	0.81%
Alternative Investments	9.44%	0.19%
Cash and Short-term Fixed	3.19%	0.00%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2015	$ 246,655,353	$ 174,037,587	$ 72,617,766
Changes for the year			
Service cost	5,238,602	-	5,238,602
Interest	20,407,798	-	20,407,798
Change in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumption	-	-	-
Contributions - employer	-	4,669,981	(4,669,981)
Contributions - employee	-	3,570,998	(3,570,998)
Net investment income	-	13,434,218	(13,434,218)
Benefit payments, including refunds of employee contributions	(9,053,442)	(9,053,442)	-
Administrative expense	-	(111,931)	111,931
Other changes	-	8,596	(8,596)
Net changes	16,592,958	12,518,420	4,074,538
Balance at 12/31/2016	$ 263,248,311	$ 186,556,007	$ 76,692,304

The following presents the net pension liability of the City calculated using the discount rate of 8.25 percent, as well as, what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher that the current rate:

	1% Decrease 7.25%	Current 8.25%	1% Increase 9.25%
City's net pension liability	$ 95,110,757	$ 76,692,304	$ 60,845,054

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting the Irving Fire Department at the City of Irving at 845 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2017, the City recognized pension expense of $13,316,835.

At September 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between projected and actual investment earnings	$ 14,821,611	$ -
Assumption changes	1,335,814	-
Difference between expected and actual experience	-	480,867
Contributions subsequent to the measurement date	4,134,062	-
	$ 20,291,487	$ 480,867

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $4,134,062 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2017 (i.e., recognized in the City's financial statements September 30, 2018). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2017	$ 5,458,424
2018	5,458,422
2019	4,095,986
2020	300,034
2021	122,814
2022	122,814
2023	118,064
	$ 15,676,558

(b) Supplemental Benefit Plan

Effective March 1, 1984, the City established the City of Irving Supplemental Benefit Plan (SBP), a single-employer contributory defined benefit plan. The plan covers employees who are members of the Texas Municipal Retirement System (Government and Police employees). Participation in the plan provides employees the opportunity to supplement their retirement income as these employees will not be eligible for Social Security benefits based on their employment with the City. The plan also replaces to the extent possible, the types of benefits previously provided by the Social Security System such as survivor and disability benefits. Separate audited financial statements are available and can be obtained by contacting City of Irving Supplemental Benefit Plan, 825 W. Irving Blvd, Irving, Texas 75060.

Benefits: SBP provides retirement benefits, as well as, death and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable for life or life of the beneficiary, depending on the benefit option selected by the retirees. Benefits are calculated based on 1/12 of 0.6% of their final average earnings for each year of credited service. The final average earnings amount is the average earnings in the three consecutive calendar years of service producing the highest such average. Employees are eligible for early retirement age at age 60 after five years of service, or at any age after completion of 20 years of service. All early retirees receive a reduced retirement benefit. Covered employees are required to contribute 2.5% of their earnings to SBP. If an employee leaves covered employment for reasons other than retirement, disability or death with less than five years of credited service, accumulated employee contributions are returned to the employee without interest. If an employee has five or more years of credited service, they may select either a refund of their contributions without interest or a monthly income payable at age 60 equal to the retirement benefit earned to date of termination. Disability benefits are payable six months after an employee is determined to be disabled under the provisions of SBP. Benefits are payable monthly and are equal to 1/12 of 70% of the participant's annualized pay rate at date of disablement reduced by disability income from the TMRS, Social Security, and workers' compensation. SBP also provides death benefits payable monthly to dependent children until attainment of age 25 and a single sum benefit to the surviving spouse.

Employees covered by benefit terms: All City full-time employees except Fire Civil Service employees are covered by SBP. As of December 31, 2016, membership consisted of:

Retirees and beneficiaries	378
Inactive, nonretired members (includes non vested members entitled to refund)	221
Active members	1,419
Total	2,018

Contributions: The employee contribution rate is 2.50%. The City Council established a maximum employer contribution level, which could be provided to support the benefits of the SBP. Council Resolution #12-16-82-582, enacted December 13, 1982, provided, in part, that the contribution to the SBP shall not exceed the Social Security tax which would otherwise be payable with respect to covered employees plus 3.69% of the salaries of such employees, less the City's contribution to the TMRS. In January 1995, the City had ceased all employer contributions, but beginning January 1, 2012, Council approved resuming contributions to the Plan. The SBP rate approved through the fiscal year 2017 budget process for the City's contribution is 2.14%. The total pension rates for 2017 are in compliance with the City Charter cap limit of no more than 16.75% of total salaries & wages contributed to retirement benefit plans. SBP, which is considered part of the City's financial reporting entity, is included in this report as a pension trust fund.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation dated January 1, 2017.

Actuarial assumptions: The TPL in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates were based on the RP-2000 Tables for males and females projected on a fully generational basis by scale BB to account for future mortality experience.

The actuarial assumptions used in the January 1, 2017 valuation were adopted by the Board to match the assumptions used by TMRS in their valuation of the City's TMRS liabilities. The assumptions are internally consistent and are considered reasonable, based on past and anticipated future experience of the Plan.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SPB Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the funding needs of the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return (Arithmetic)
Cash and equivalents	0% to 1%
Diversified portfolio of domestic and international fixed income investments	1% to 3%
Diversified portfolio of domestic or global real estate	2% to 6%
Diversified portfolio of domestic and international common stocks	4% to 8%

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contributions rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of

current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2015	$ 74,102,638	$ 50,538,106	$ 23,564,532
Changes for the year			
Service cost	3,014,502	-	3,014,502
Interest	4,977,651	-	4,977,651
Change in benefit terms	-	-	-
Difference between expected and actual experience	39,934	-	39,934
Changes in assumption	-	-	-
Contributions - employer	-	2,067,639	(2,067,639)
Contributions - employee	-	2,448,428	(2,448,428)
Net investment income	-	1,103,719	(1,103,719)
Benefit payments, including refunds of employee contributions	(3,733,824)	(3,733,824)	-
Administrative expense	-	(165,946)	165,946
Other changes	-	-	-
Net changes	4,298,263	1,720,016	2,578,247
Balance at 12/31/2016	$ 78,400,901	$ 52,258,122	$ 26,142,779

Sensitivity of the net pension liability to changes in the discount rate: The sensitivity of the net pension liability to change in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 37,113,537	$ 26,142,779	$ 17,166,140

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting City of Irving Supplemental Benefit Plan at 825 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2017, the City recognized pension expense of $4,436,673.

At September 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

		Deferred Outflow of Resources
Difference between expected and actual economic experience	$	103,388
Assumption changes		3,670,132
Difference between projected and actual investment earnings		4,578,777
Contributions subsequent to the measurement date		1,695,177
	$	10,047,474

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $1,695,177 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2017 (i.e., recognized in the City's financial statements September 30, 2018). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

		Net Deferred Outflow (inflows) of Resources
2017	$	2,150,375
2018		2,150,374
2019		1,998,428
2020		1,192,040
2021		728,110
Thereafter		132,970
	$	8,352,297

(c) Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees (except Fire Civil Service).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

In addition, the City has granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Also, the City has adopted a annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to 30% of the change in the consumer price index (CPI).

A summary of the plan provisions for the City are as follows:

	Plan year 2016
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI

Employees covered by benefit terms: At the December 31, 2016 valuation and measurement date, the following employees were in covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	934
Inactive employees entitled to but not yet receiving benefits	457
Active employees	1,421
Total	2,812

Contributions: The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2017, the City made contributions of 13.51% for the months in 2016 and contribution of 14.61% for the months in 2017. The City's contributions to TMRS for fiscal year 2017 were $14,277,819 and were equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustments, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates for healthy and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as, the production of income, in order to satisfy the short term and long term needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2015	$ 674,138,386	$ 594,944,541	$ 79,193,845
Changes for the year			
Service cost	16,039,813	-	16,039,813
Interest	44,980,031	-	44,980,031
Change in benefit terms	-	-	-
Difference between expected and actual experience	(1,160,092)	-	(1,160,092)
Changes in assumption	-	-	-
Contributions - employer	-	12,973,950	(12,973,950)
Contributions - employee	-	6,816,447	(6,816,447)
Net investment income	-	40,201,716	(40,201,716)
Benefit payments, including refunds of employee contributions	(31,574,915)	(31,574,915)	-
Administrative expense	-	(454,093)	454,093
Other changes	-	(24,466)	24,466
Net changes	28,284,837	27,938,639	346,198
Balance at 12/31/2016	$ 702,423,223	$ 622,883,180	$ 79,540,043

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 172,383,234	$ 79,540,043	$ 2,596,124

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2017, the City recognized pension expense of $25,512,123.

At September 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ -	$ 3,088,071
Assumption changes	7,218,878	-
Difference between projected and actual investment earnings	27,758,965	-
Contributions subsequent to the measurement date	11,767,309	-
Total	$ 46,745,152	$ 3,088,071

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $11,767,309 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the city's financial statements September 30, 2018). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2017	$ 10,988,924
2018	10,988,924
2019	9,785,033
2020	169,363
2021	(42,472)
Thereafter	-
	$ 31,889,772

(12) Voluntary Employee Beneficiary Association

Effective August 31, 2000, the City established the City of Irving Voluntary Employee Beneficiary Association (VEBA) Trust. The purpose of the plan was to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. The benefit was initially established at a level that represented 75% of the "retiree-only" premium for the lowest cost medical plan offered by the City.

The VEBA Plan was significantly amended in September 2004 to include eligible active employees as well as eligible retirees. An eligible retiree means an individual who has retired or was eligible to retire from active service with the City before January 1, 2005 and has at least 25 years of service with the City before January 1, 2005. Benefit is received when the eligible retiree has attained either (i) 55 years of age and at least 30 years of service with the City or (ii) 60 years of age and at least 25 years of service with the City. The period of coverage commences with the enrollment of an eligible employee and ends on the

later of (a) the date the eligible employee retires or (b) the last day of the month in which the eligible employee attains age 65. The monthly subsidy for eligible retirees is fixed at $168.75. Annual VEBA subsidy payments totaled $53,325 in fiscal year 2017.

Existing funds were allocated to establish a reserve sufficient to meet the full funding requirements at the time for the current retirees and future eligible employees. The City has not made contributions during the fiscal year to the Trust.

There are currently 24 retirees enrolled in the plan:

Quality Connect	10
Choice Open Access Plus	13
Open Access Plus	1

Because the amounts in the Trust are for the benefit of both retirees and current employees and because the City has used funds from the Trust to subsidize current employee premiums to the healthcare plan, the Trust does not qualify to be considered an Other Post-Employment Benefit Plan subject to GASB Statement 43.

(13) Other Post-Employment Benefits

Plan Description: In addition to the pension benefits described in Note 11, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from the City's sponsored retirement program (Texas Municipal Retirement System) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance of eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

Effective January 1, 2006, employees may retire after attaining age 60 and at least five years of service or with 20 years of service regardless of age to remain on the group health and life insurance plan for life. Effective August 3, 2006, the group health benefit plan was revised a) to define "Retiree" as any former employee who has met the specified requirements for service or disability retirement under any one of the retirement plans sponsored by the City and b) to revise eligibility for medical benefits for retirees and dependents and clarified continuity of coverage for both the retiree and dependents. The retired employees are required to pay 100% of the premium. The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the Self Insurance Fund. As of September 30, 2017, 120 participants were receiving benefits.

Funding Policy: Current retirees contribute to the retiree health plan the total blended premium for active participants and the City's contribution for actives. The City's contribution consists of pay-as-you-go claims in excess of the retiree contributions. Retiree contributions rates for fiscal year 2017 ranged from $349.30 to $1,839.71 per month depending on age and coverage levels selected. In fiscal year 2017, total member contributions were $6,022,778. The City contribution to the plan of retiree claims net of retiree contributions for fiscal year 2017 was a positive $222,318.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) for the retiree health plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB

Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	$ 1,365,035
Interest on net OPEB obligation	371,270
Adjustment to annual required contribution	(539,700)
Annual OPEB cost (expense)	1,196,605
Contributions made	(222,318)
Change in OPEB obligation	974,287
Net OPEB obligation – beginning of year	9,900,528
Net OPEB obligation – end of year	$ 10,874,815

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	1,581,907	16.5%	8,673,441
2016	1,177,723	-4.2%	9,900,528
2017	1,196,605	18.6%	10,874,815

Funded Status and Funding Progress: As of December 31, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $14,885,550, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $127,169,098 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.54%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A summary of actuarial assumptions is as follows:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percent of Payroll
Amortization Period	Open, 20 year period
Asset Valuation Method	Market
Investment Rate of Return	3.75%
Payroll growth	3.0%
Withdrawal rates (low, mid or high) for Male/Female	Mid-Low/Mid-Low
Inflation Rate	2.5%
Medical Trend	Initial rate of 7.5%; declining to an ultimate Rate of 4.5% after 15 years

(14) Landfill Closure and Postclosure Care Costs

The City owns and operates a sanitary landfill site located in the southeast portion of the City. The landfill operates on a "cell" basis, and state and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The landfill is recorded within the business type activities of the government-wide financial statements. The estimated total liability is $5,392,075 which represents the total closure and postclosure care cost liability based on the use of approximately 38% of the estimated capacity of the landfill at September 30, 2017. The City will recognize the remaining estimated liability for closure and postclosure care of approximately $13.6 million as the remaining estimated capacity is filled, currently estimated to be approximately 50 years. The estimated cost of closure and postclosure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By State law, the City will be required to demonstrate financial assurance requirements each March. The City expects that by using a "Bond Rating Indicator of Financial Strength" the financial assurance requirements will be satisfied, and no trust account will be needed to finance closure and postclosure care costs.

(15) Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and may include incentive payments that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to build or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facilities leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The city has two categories of economic developing agreements;

Tax Abatements - Tax abatements under Chapter 312 of the Texas Code allows the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatements agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. In fiscal year 2017, property taxes abated under this program were $479,010.

General Economic Development - The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a percentage of property taxes, sales tax received by the City or reimbursement for cost incurred to improve site or sign. In fiscal year 2017, the City rebated $10,236,490 under these agreements.

(16) Commitments and Contingencies

The City is committed under certain construction contracts for various general government and water utility projects.

The City has been named as a defendant or codefendant in certain personal injury cases and a number of other matters of litigation, which are pending with respect to various matters arising in the normal course of the City's operations. The outcome of these cases is not known at this time; however, City management is of the opinion that their resolution will not have a materially adverse impact on the City's financial position.

The Water and Sanitary Sewer Enterprise Fund is committed by contract to pay a portion of the operating and maintenance expenses for the useful lives of water supply facilities located at Lake Chapman (formerly the Cooper Reservoir). In addition, the City is committed by contract to pay a portion of the operating costs and future debt service of the Trinity River Authority for wastewater treatment.

The City participates in several federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2017 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

In November 2004, the City entered into an agreement with a developer for reimbursement of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was $3,000,000 for the construction of the extension for the westbound Interstate Highway 635 access road to the intersections with Belt Line road and an entrance ramp to IH 635. The agreement was amended in June 2006 to increase the maximum amount of reimbursement to developer to $4,000,000 due to higher than expected costs. The annual payments are based on sales tax generated by the merchants on the site in excess of $1.00 per square foot. As long as less than 400,000 sq. ft. of retail space has been constructed, the City retains 60% of the excess sales tax and developer receives 40% of the excess. Should the square feet of retail construction meet or exceed 400,000, the City will retain 40% of the excess and the developer will receive 60% of the excess sales tax. In additions, for the first $1.00 per square foot of all retail space, for any amount over $.50 per square foot of sales tax revenue, the developer receives an aggregate annual reimbursement of up to $.50 per square foot of retail

space. Each annual payment is subject to there being at least 10,000 square feet of building improvements on the property that are at least 85% occupied for the preceding calendar year. Gasoline service stations, convenience food stores and self-storage facilities do not qualify under this agreement. The owner of the building improvements must not be in bankruptcy. Any portion of the reimbursable amount not paid after expiration of fifty years will cease to be an obligation of the City. Payments of $1,484,031 have been made from 2009-2016, and $177,132 was paid in 2017. The outstanding balance of the reimbursable amount at September 30, 2017 was $2,338,837 and is not recorded as a liability since the payment is contingent on the collection of future tax revenues.

The City of Irving and the Texas Department of Transportation (TxDOT) entered into a temporary construction easement agreement for a term of ten years commencing on January 31, 2009. This easement is for the purpose of construction staging on the Texas Stadium site for multiple State highway projects. Total amount received from TxDOT is $15,434,019; total recognized for FY17 is $874,176, the remaining balance of $760,156 is recorded as unearned revenues and will be prorated over the remaining life of the contract.

The City has also entered into a number of economic incentive agreements with developers and corporations that would require the City to abate or rebate future taxes or refund sales taxes to these developers or corporations.

(17) Fund Balance/Net Position Deficit

Funds with deficit fund balances as of September 30, 2017 were the HUD Grants Fund $450,701 and Emergency Management Fund $51,091. Grant fund reimbursements were requested as of September 30, 2017 but not received; therefore, the revenues are unearned.

(18) Subsequent Events

On October 19, 2017, the City of Irving issued $107,610,000 in Combination Tax and Hotel Occupancy Tax Revenue Refunding Bonds, Series 2017. Total sources received in this refunding was $133,557,609 comprised of $119,157,609 of bond proceeds including premiums, $11,100,000 from prior reserve funds and $3,300,000 from prior Debt Service funds. Sources from this refunding are to be used to redeem $125,255,000 of Combination Tax & Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2009 and pay the cost associated with the issuance. The amount remitted to the escrow agent was $132,363,613 and will be held by the escrow agent until refunded bonds are redeemed. This advanced refunding resulted in an economic gain of $23,055,718 and a reduction of debt service payments of $54,381,255.

(19) New Accounting Principles

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions will be effective September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

GASB Statement No. 81, Irrevocable Split-Interest Agreements will be effective September 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

GASB Statement No. 82 Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73 will be effective September 30, 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding:

- presentation of payroll-related measures in required supplementary information - amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.
- selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes - clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68.
- classification of payments made by employers to satisfy employee (plan member) contribution requirements - requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits) .

GASB Statement No. 83 Certain Asset Retirement Obligation will be effective September 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

GASB Statement No. 84, Fiduciary Activities will be effective September 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable:
(1) pension (and other employee benefit) trust funds,
(2) investment trust funds,
(3) private-purpose trust funds, and
(4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 85, Omnibus 2017 will be effective September 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus

- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

GASB Statement No. 86, Certain Debt Extinguishment Issues will be effective September 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance

GASB Statement No. 87, Leases will be effective September 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

* * * *

City of Irving, Texas
Required Supplementary Information
Budgetary Comparison Schedule-General Fund
Year ended September 30, 2017

	Budgeted amounts (GAAP basis)		Actual amounts	Variance with final budget--positive (negative)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 105,190,402	$ 105,190,402	$ 105,412,136	$ 221,734
Sales tax	66,883,356	66,883,356	66,852,501	(30,855)
Franchise fees	21,281,336	21,281,336	20,514,658	(766,678)
Fees and licenses	5,373,219	5,373,219	4,768,125	(605,094)
Permits and inspections	5,013,877	5,013,877	6,627,850	1,613,973
Fines, forfeitures, and penalties	5,330,950	5,330,950	5,264,849	(66,101)
Charges for services	410,977	410,977	572,573	161,596
Intergovernmental and intragovernmental	6,340,737	6,340,737	6,340,737	-
Investment income	219,500	219,500	546,551	327,051
Miscellaneous	8,291,443	8,422,582	8,425,892	3,310
Total revenues	224,335,797	224,466,936	225,325,872	858,936
Expenditures:				
General government:				
City council	233,742	233,742	203,242	30,500
City secretary's office	1,034,199	1,014,541	886,006	128,535
City manager's office	1,823,403	1,756,952	1,728,901	28,051
Financial services department	4,537,750	4,166,310	3,937,298	229,012
Strategic resources	1,963,351	1,902,991	1,577,934	325,057
Nondepartmental	16,355,645	16,428,680	16,333,177	95,503
Planning and inspections	4,057,132	4,078,502	3,964,778	113,724
City attorney's office	2,403,779	2,403,778	2,275,873	127,905
Information services	10,089,386	10,198,986	9,961,943	237,043
Police	59,752,315	59,733,135	58,823,639	909,496
Fire	44,862,681	45,141,651	44,331,266	810,385
Animal services	1,825,096	1,849,455	1,806,334	43,121
Parks and recreation	17,139,589	17,099,152	16,154,293	944,859
Municipal court services	2,979,371	2,979,371	2,845,416	133,955
Library services	6,978,550	6,984,594	6,810,030	174,564
Community development	22,212,214	22,103,683	18,687,781	3,415,902
Public works and transportation	18,770,713	18,777,285	17,892,465	884,820
Total expenditures	217,018,916	216,852,808	208,220,376	8,632,432
Excess of revenues over expenditures	7,316,881	7,614,128	17,105,496	9,491,368
Other financing sources (uses):				
Transfers in	1,508,612	1,518,258	1,606,898	88,640
Transfers out	(12,495,148)	(12,629,718)	(12,175,711)	454,007
Total other financing sources (uses)	(10,986,536)	(11,111,460)	(10,568,813)	542,647
Net change in fund balances	(3,669,655)	(3,497,332)	6,536,683	10,034,015
Fund balances, beginning of year	61,163,807	61,163,807	61,163,807	-
Fund balances, end of year	$ 57,494,152	$ 57,666,475	$ 67,700,490	$ 10,034,015

See notes to required supplementary information

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CITY OF IRVING, TEXAS

Required Supplementary Information
Budgetary Comparison Schedule-TIF
Year ended September 30, 2017

	Budgeted Amounts (GAAP basis)		Acutal	Variance with final budget-- positive
	Original	Final	Amount	(negative)
Revenues:				
Intergovernmental	$ 6,203,663	$ 6,203,663	$ 10,473,477	$ 4,269,814
Tax assessments	993,989	993,989	981,579	(12,410)
Interest	151,458	151,458	353,411	201,953
Total revenues	7,349,110	7,349,110	11,808,467	4,459,357
Expenditures				
Community development	2,707,700	7,051,125	1,630,680	5,420,445
Total expenditures	2,707,700	7,051,125	1,630,680	5,420,445
Excess of revenues over expenditures	4,641,410	297,985	10,177,787	9,879,802
Other financing sources (uses):				
Transfer in	8,442,113	8,442,113	8,114,479	(327,634)
Transfer out	(1,589,217)	(1,592,217)	(1,593,621)	(1,404)
Total financing sources (uses)	6,852,896	6,849,896	6,520,858	(329,038)
Net changes in fund balances	11,494,306	7,147,881	16,698,645	9,550,764
Fund balances, beginning of year	40,741,407	40,741,407	40,741,407	-
Fund balances, end of year	$ 52,235,713	$ 47,889,288	$ 57,440,052	$ 9,550,764

See notes to required supplementary information

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Changes in Net Pension Liability and Related Ratios
Last Three Fiscal Years
(Unaudited)

	Measurement date		
	2014	2015	2016
Total pension liability			
Service cost	$ 2,844,836	$ 2,975,950	$ 3,014,502
Interest	4,259,329	4,528,512	4,977,651
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	95,587	39,934
Change of assumptions	-	5,088,734	-
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)
Net change in total pension liability	4,017,887	9,116,474	4,298,263
Total pension liability - beginning	60,968,277	64,986,164	74,102,638
Total pension liability - ending	$ 64,986,164	$ 74,102,638	$ 78,400,901
Contributions - Employer	$ 1,358,113	$ 1,390,021	$ 2,067,639
Contributions - Employee	2,262,508	2,334,190	2,448,428
Net investment income	2,711,022	(350,875)	1,103,719
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)
Administrative expense	(118,500)	(123,779)	(165,946)
Other	-	-	-
Net change in plan fiduciary net positions	3,126,865	(322,752)	1,720,016
Plan fiduciary net positon - beginning	47,733,993	50,860,858	50,538,106
Plan fiduciary net position - ending	$ 50,860,858	$ 50,538,106	$ 52,258,122
Net pension liability	14,125,306	23,564,532	26,142,779
Plan fiduciary net position as a percentage of total pension liability	78.26%	68.20%	66.66%
Covered employee payroll	$ 89,179,811	$ 92,985,815	$ 95,365,820
Net pension liability as a percentage of covered employee payroll	15.84%	25.34%	27.41%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to Schedule:

Covered Employee Payroll shown in table is the beginning of year payroll

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Contributions
Last Three Fiscal Years
(Unaudited)

	Fiscal year		
	2015	2016	2017
Actuarially determined contributions	$ 1,376,198	$ 1,938,397	2,134,394
Contributions in relation to the actuarially determined contribution	1,376,198	1,938,397	2,134,394
Contribution deficiency (excess)	-	-	-
Covered employee payroll	92,363,058	100,416,531	99,606,896
Contributions as a percentage of covered employee payroll	1.49%	1.93%	2.14%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:
Valuation Date: January 1, 2017

Actuarially determined contribution rates are calculated as of January 1st. The assumptions and methods below are for the actuarial determined contributions for the most recently completed plan year (2016).

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuations method	5 year smoothing of market related value
Inflation	2.50%
Salary increases	3.50%-10.50%
Investment rate of return	6.75%
Retirement age	Varying rates of retirement based on member's age were established based on plan's experience as determined by the TMRS experience study.
Mortality	The RP-2000 tables for males and females projected on a fully generational basis by scale BB to account for future mortality improvements.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Three Fiscal Years
(Unaudited)

	Measurement date		
	2014	2015	2016
Total pension liability			
Service cost	$ 4,866,613	$ 5,025,038	$ 5,238,602
Interest	17,745,490	19,019,327	20,407,798
Changes in benefit terms	-	-	
Difference between expected and actual experience	-	(619,021)	-
Change of assumptions	-	1,719,597	-
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)
Net change in total pension liability	15,788,519	17,141,250	16,592,958
Total pension liability - beginning	213,725,584	229,514,103	246,655,353
Total pension liability - ending	$ 229,514,103	$ 246,655,353	$ 263,248,311
Contributions - Employer	$ 4,006,697	$ 4,273,487	$ 4,669,981
Contributions - Employee	3,200,993	3,276,795	3,570,998
Net investment income	7,328,533	(4,248,306)	13,434,218
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)
Administrative expense	(167,106)	(100,530)	(111,931)
Other	-	-	8,596
Net change in plan fiduciary net position	7,545,533	(4,802,245)	12,518,420
Plan fiduciary net positon - beginning	171,294,299	178,839,832	174,037,587
Plan fiduciary net position - ending	$ 178,839,832	$ 174,037,587	$ 186,556,007
Net pension liability	50,674,271	72,617,766	76,692,304
Plan fiduciary net position as a percentage of total pension liability	77.92%	70.56%	70.87%
Covered employee payroll	$ 26,674,942	$ 27,306,626	$ 29,840,134
Net pension liability as a percentage of covered employee payroll	189.97%	265.93%	257.01%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Contributions
Last Three Fiscal Years
(Unaudited)

	Fiscal year		
	2015	2016	2017
Actuarially determined contributions	$ 4,199,033	$ 4,575,029	5,232,858
Contributions in relation to the actuarially determined contribution	4,199,033	4,575,029	5,232,858
Contribution deficiency (excess)	-	-	-
Covered employee payroll	26,880,615	29,165,421	31,514,016
Contributions as a percentage of covered employee payroll	15.62%	15.69%	16.60%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:
Valuation Date: December 31, 2015
Actuarially determined contribution rates were based on the contracted contributions rate.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	46.5 years
Asset valuations method	5 yr smoothed market value with a 20% market value corridor
Inflation	3.00%
Salary increases	3% to 11.30%, including inflation, based on services at attained age.
Investment rate of return	8.25%
Retirement age	Experienced -based table of rates that are specific to the pension fund
Mortality	Employee and healthy annuitant combined rates from RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females
Other information:	There have been no benefit changes since the December 31, 2015 valuation date.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Three Fiscal Years
(Unaudited)

	Measurement date		
	2014	2015	2016
Total pension liability			
Service cost	$ 13,088,408	$ 14,870,411	$ 16,039,813
Interest	42,078,112	43,871,555	44,980,031
Changes in benefit terms	39,545,256	-	-
Difference between expected and actual experience	(2,994,771)	(1,292,278)	(1,160,092)
Change of assumptions	-	11,730,676	-
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)
Net change in total pension liability	65,519,274	40,493,824	28,284,837
Total pension liability - beginning	568,125,288	633,644,562	674,138,386
Total pension liability - ending	$ 633,644,562	$ 674,138,386	$ 702,423,223
Contributions - Employer	$ 10,031,514	$ 13,069,439	$ 12,973,950
Contributions - Employee	6,420,961	6,538,152	6,816,447
Net investment income	33,211,991	890,765	40,201,716
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)
Administrative expense	(346,774)	(542,586)	(454,093)
Other	(28,511)	(26,799)	(24,466)
Net change in plan fiduciary net position	23,091,450	(8,757,569)	27,938,639
Plan fiduciary net positon - beginning	580,610,660	603,702,110	594,944,541
Plan fiduciary net position - ending	$ 603,702,110	$ 594,944,541	$ 622,883,180
Net pension liability	29,942,452	79,193,845	79,540,043
Plan fiduciary net position as a percentage of total pension liability	95.27%	88.25%	88.68%
Covered employee payroll	$ 90,741,349	$ 93,289,906	$ 97,328,964
Net pension liability as a percentage of covered employee payroll	33.00%	84.89%	81.72%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Contributions
Last Three Fiscal Years
(Unaudited)

	Fiscal year		
	2015	2016	2017
Actuarially determined contributions	$ 12,319,383	$ 13,736,507	$ 14,277,819
Contributions in relation to the actuarially determined contribution	$ 12,319,383	$ 13,736,507	$ 14,277,819
Contribution deficiency (excess)	-	-	
Covered employee payroll	92,363,058	100,416,531	99,606,896
Contributions as a percentage of covered employee payroll	13.34%	13.68%	14.33%

Notes to schedules:

Valuation Date: December 31, 2016

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuations method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based tables of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Other information: There were no benefit changes during the year.

CITY OF IRVING, TEXAS

Required Supplementary Information
Retiree Health Plan
Schedule of Funding Progress
(Unaudited)

Actuarial Valuation Date*	12/31/2007	12/31/2009	12/31/2011	12/31/2013	12/31/2015
Actuarial Value of Assets	-	-	-	-	-
Actuarial Accrued Liability	$ 52,330,932	$ 26,375,713	$ 26,507,441	$ 19,045,783	$ 14,885,550
Percentage Funded	0%	0%	0%	0%	0%
Unfunded Actuarial Accrued Liability (UAAL)	52,330,932	26,375,713	26,507,441	19,045,783	14,885,550
Annual Covered Payroll	98,647,492	116,082,401	105,506,259	113,137,689	120,596,532
UAAL as a Percentage of Covered Payroll	53.05%	22.72%	25.12%	16.83%	12.34%

* Actuarial study done every two years.

(1) Budgets and Budgetary Accounting

Approximately two months prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in advance of and following the initial preparation of the budget at which comments concerning the budget are heard prior to approval of the budget by the City Council.

The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies.

Budget control is exercised at the activity level by department (i.e., City Manager's Office, City Secretary's Office, Financial Services, General Services, etc.). Reported budget amounts are the amounts originally adopted and amended by appropriation ordinances passed by the City Council. All modifications to the adopted budget, at the fund level, require City Council ordinance.

An annual budget for the General Fund and TIF (Special Revenue Major Fund) are adopted on a basis consistent with GAAP. All appropriations lapse at year-end. Additionally, annual budgets are adopted for the Debt Service Fund and Special Revenue Funds on a basis consistent with GAAP. Project length financial plans are adopted for all Capital Project Funds.

(2) Excess Expenditures over Appropriations

The total expenditures for the General Fund were less than the amount budgeted by $8,632,432 and total expenditures for the TIF fund were less than the amount budgeted by $5,420,445.

IRVING
TEXAS

CITY OF IRVING, TEXAS

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds. The Debt Service Fund has a legally adopted budget. The following schedule presents the results on a budget (GAAP) and actual basis.

City of Irving, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Debt Service Fund
Year ended September 30, 2017

	Original Budget	Adjusted Budget	Actual	Variance positive (negative)
Revenues:				
General property taxes	$ 29,506,821	$ 29,506,821	$ 29,554,135	$ 47,314
Interest	72,000	72,000	281,987	209,987
Total revenues	29,578,821	29,578,821	29,836,122	257,301
Expenditures:				
Principal on general obligation bonds	20,050,000	20,050,000	19,300,000	750,000
Principal on special revenue bonds	1,715,000	1,715,000	1,715,000	-
Principal on revenue bonds	1,195,000	1,195,000	1,195,000	-
Interest on general obligation bonds	9,237,614	9,165,929	8,993,152	172,777
Interest on special revenue bonds	11,003,455	11,003,455	11,003,455	-
Interest on revenue bonds	1,283,783	1,283,783	1,283,783	-
Fiscal fees and charges	8,425	8,425	329,616	(321,191)
Contract payments	220,000	220,000	177,132	42,868
Total expenditures	44,713,277	44,641,592	43,997,138	644,454
Deficiency of revenues under expenditures	(15,134,456)	(15,062,771)	(14,161,016)	901,755
Other financing sources (uses):				
Issuance of special revenue bonds	-	2,551,806	2,551,806	-
Premium on bonds issued	-	-	5,023,885	5,023,885
Payments to refund escrow	-	-	(35,184,607)	(35,184,607)
Refunding bonds issued	-	-	30,405,000	30,405,000
Transfer in	15,093,177	15,252,651	9,011,363	(6,241,288)
Transfer out	(691,049)	(691,049)	-	691,049
Total other financing sources	14,402,128	17,113,408	11,807,447	(5,305,961)
Net change in fund balance	(732,328)	2,050,637	(2,353,569)	(4,404,206)
Fund balances, beginning of year	34,095,262	34,095,262	34,095,262	-
Fund balances, end of year	$ 33,362,934	$ 36,145,899	$ 31,741,693	$ (4,404,206)

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Criminal Justice Grant – This fund is used to account for the expenditures of state and federal monies, to provide legal assistance to the City's police department, and to provide a program to reduce juvenile delinquency.

Irving Convention and Visitors Bureau – This fund is used to account for the City's program to attract conventions and tourists to the City. A portion of the City's hotel/motel occupancy tax finances the Bureau's activities.

Irving Arts Center – This fund is used to account for the City's efforts to encourage and develop the arts through grants to various cultural groups and through the accumulation of funds for the operation and future construction of cultural facilities. A portion of the City's hotel/motel occupancy tax finances the Art Center's activities.

Police Narcotics – This fund is used to account for the expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state and federal law.

Historical Preservation – This fund is used to account for the City's efforts to preserve and restore historical sites within the City. A portion of the City's hotel/motel occupancy tax finances the fund's activities.

Local Law Enforcement Block Grant – This fund is used to account for the expenditures of state and federal monies used to purchase equipment and materials for use within the Police Department.

Municipal Court Security Fees – This fund is used to account for the collection of fees imposed on fines authorized by the state legislature for technology and security measures utilized in the Court Building.

Texas Highway Safety Grant – This fund is used to account for the expenditures of State monies for the Speed and Occupant Selective Traffic Enforcement Program (STEP) Grants.

Miscellaneous Grants – This fund is used to account for the expenditures of monies for the Department of Health and Human Service, Economic Development Services, and the North Central Texas Council of Governments.

Convention Center Complex – This fund is used to account for the Hotel/Motel Tax revenue that has been earmarked for the building maintenance of the Irving Convention Center Complex.

Entertainment Venue – This fund is used to account for the additional two percent Hotel Motel Tax revenue that is being collected to provide funding for an Entertainment Venue as part of the Convention Center complex.

Museum Fund – This fund is used to account for the Hotel/Motel Tax revenue that has been designated for the building and operation of museums in Irving.

HUD Grants – This fund is used to account for the expenditures resulting from the administration of the federal grants received from the Department of Housing and Urban Development (HUD). The grants included in this fund are the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and the Emergency Shelter Grant (ESG) and Section 108 Guarantee Loan.

Library Grant Fund - This fund is used to account for the expenditure of monies for the purchase of library materials and equipment.

Miscellaneous Special Revenue Fund – This fund is used to account for the receipt of non-governmental donations and associated expenditures. Currently, this fund is used by the Irving Municipal Court, Irving Fire Department, Housing and Human Services, and Animal Services.

Emergency Management Grants - This fund is used to account for the expenditure of monies awarded by the Department of Homeland Security to improve the City's ability to prevent, respond to, and recover from acts of terrorism and natural disasters.

Red Light Camera Enforcement – This fund accounts for all revenues and expenditures associated with Red Light Camera traffic enforcement.

Irving Housing Finance Corporation- This fund is used to record expenditures resulting from the purchases of real estate for rehabilitation/ new construction and homebuyer assistance to the citizens of Irving.

Public, Educational, and Government Access (PEG Fees) Fund-This fund is used to record the surcharge from cable fees and is designated to fund capital related expenditures for Irving Community Television Network (ICTN).

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Special Revenue Funds).

Storm Sewer – This fund is used to account for the financing and construction of improvements to and the extension of the City's storm sewer system. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Park Improvement – This fund is used to account for the financing of improvements to and enlargements of the City's parks. These improvements and enlargements are funded by general obligation bond proceeds and interest on investments.

Fire Station – This fund is used to account for the financing of the construction and renovation of fire stations and the acquisition of firefighting equipment. General obligation bond proceeds and interest on investments are the sources of financing of the building renovation and equipment purchases.

Criminal Justice – This fund is used to account for the financing and construction of police and court-related facilities. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Landfill – This fund is used to account for the financing of improvements to the municipal sanitary landfill. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

City Buildings Improvement – This fund is used to account for the financing of improvements and remodeling of various City buildings. The proceeds of general obligation bonds and interest on investments are used to finance the improvements

DART – This fund is used to account for the construction of improvements to and the extension of the City's streets, which are part of the DART transportation routes. The construction is financed from sales tax proceeds remitted to the City through DART and interest on investments.

Radio Communication Systems – This fund is used to account for the purchase of a citywide radio communications system. The proceeds of general obligation bonds and interest on investments are used to finance the purchase.

Non-bond CIP – This fund is used to account for the purchases and construction of miscellaneous capital projects that are not required either legally or contractually to be accounted for in an individual fund. These projects are being funded through a transfer from the General Fund and interest on investments.

Street Improvement Fund – This fund was established to account for construction of the City's street infrastructure. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Entertainment Venue – This fund was established to account for the construction of the City's Entertainment Venue. The proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes are used to finance the proceeds.

Texas Stadium Venue Project – This fund was established to account for 10% admissions tax and a tax on parking fees (under a state statue referred to as the Brimer bill) collected during the final football seasons. These

funds assist the City in assuming responsibility for the venue site and facilities and will be applied to fund a range of capital project authorized under that statute.

Veteran's Memorial Park – This fund is used to account for the construction, improvements and maintenance of the Veteran's Memorial at its existing location from General Obligation Bonds and interest on investments.

HQ Hotel Public Space Bond – This fund is used to account for revenue supported/tax pledge funding for the construction of public infrastructure related to the Convention Center Hotel.

Convention Center Hotel Garage Bond– This fund is used to account for tax-supported funding for the construction of public infrastructure related to Convention Center Hotel.

Gateway Development – This fund is used to account for public capital improvements associated with private developments. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

PID #3 Parkside – This fund is used to account for capital improvements associated within the Parkside Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017

	Special Revenue Funds				
	Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics	Historical Preservation
Assets					
Cash and cash equivalents	$ -	4,718,846	5,824,356	1,998,296	1,589
Investments	-	-	-	-	337,133
Receivables (net of allowance for doubtful accounts):					
Taxes	-	2,079,168	810,251	-	36,477
Accrued interest	-	4,312	5,028	-	1,409
Accounts receivable	-	323,761	30,758	-	-
Real estate held for resale	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	37,538	-	-	2,625	-
Prepaids	-	-	2,500	-	-
Total assets	$ 37,538	7,126,087	6,672,893	2,000,921	376,608
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	701,457	31,555	15,350	3,432
Accrued wages and benefits	7,742	213,367	63,129	935	-
Due to other funds	29,796	83,216	45,671	-	1,459
Retainage payable	-	-	-	-	-
Sundry payables	-	-	141,256	501,111	-
Unearned revenue	-	-	-	-	-
Total liabilities	37,538	998,040	281,611	517,396	4,891
Fund balances:					
Non Spendable					
Other assets	-	-	2,500	-	-
Restricted					
Police	-	-	-	1,483,525	-
Parks and recreation	-	-	-	-	-
Community development	-	6,128,047	6,388,782	-	371,717
Public works	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	6,128,047	6,391,282	1,483,525	371,717
Total liabilities and fund balances	$ 37,538	7,126,087	6,672,893	2,000,921	376,608

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

Special Revenue Funds				
Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	Convention Center Complex
27,064	444,816	-	599,782	6,429,220
-	1,087,606	-	-	-
-	-	-	-	2,089,641
-	2,577	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	14,316	14,868	-
-	-	-	-	-
27,064	1,534,999	14,316	614,650	8,518,861
-	4,551	450	4,444	-
-	2,485	12,042	-	-
-	-	1,824	-	-
-	-	-	-	-
-	-	-	-	-
27,064	-	-	294,688	-
27,064	7,036	14,316	299,132	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	8,518,861
-	-	-	-	-
-	1,527,963	-	315,518	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,527,963	-	315,518	8,518,861
27,064	1,534,999	14,316	614,650	8,518,861

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

	Special Revenue Funds				
	Entertainment Venue	Museum Fund	HUD Grants	Library Grant Fund	Misc. Special Revenue
Assets					
Cash and cash equivalents	$ 7,458,513	3,931,304	140,795	277	324,212
Investments	989,270	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	1,634,919	91,192	-	-	-
Accrued interest	9,933	3,350	-	-	-
Accounts receivable	-	168	-	-	284
Real estate held for resale	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	944,494	40,199	-
Prepaids	-	-	-	-	-
Total assets	10,092,635	4,026,014	1,085,289	40,476	324,496
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	10,974	2,110	135,499	-	-
Accrued wages and benefits	-	5,078	29,342	-	-
Due to other funds	-	3,648	786,471	-	-
Retainage payable	-	-	-	-	-
Sundry payables	-	-	-	-	-
Unearned revenue	-	-	584,678	-	22,758
Total liabilities	10,974	10,836	1,535,990	-	22,758
Fund balances:					
Non Spendable					
Other assets	-	-	-	-	-
Restricted					
Police	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	10,081,661	4,015,178	-	-	-
Public works	-	-	-	-	-
Other purposes	-	-	-	40,476	301,738
Assigned					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Unassigned	-	-	(450,701)	-	-
Total fund balances	10,081,661	4,015,178	(450,701)	40,476	301,738
Total liabilities and fund balances	10,092,635	4,026,014	1,085,289	40,476	324,496

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

Special Revenue Funds				
Emergency Management Grants	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	3,938,754	182,888	468,496	36,489,208
-	-	-	-	2,414,009
-	-	-	91,714	6,833,362
-	-	-	-	26,609
-	487,204	-	-	842,175
-	-	-	-	-
-	-	-	-	-
108,309	-	-	-	1,162,349
-	-	-	-	2,500
108,309	4,425,958	182,888	560,210	47,770,212
-	1,650,797	-	-	2,560,619
5,353	7,181	-	-	346,654
99,736	-	-	-	1,051,821
-	-	-	-	-
-	-	-	-	642,367
54,311	-	-	-	983,499
159,400	1,657,978	-	-	5,584,960
-	-	-	-	2,500
-	-	-	-	1,483,525
-	-	-	-	-
-	-	182,888	560,210	36,247,344
-	2,767,980	-	-	2,767,980
-	-	-	-	2,185,695
				-
-	-	-	-	-
-	-	-	-	-
(51,091)	-	-	-	(501,792)
(51,091)	2,767,980	182,888	560,210	42,185,252
108,309	4,425,958	182,888	560,210	47,770,212

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017

	Capital Project Funds			
	Storm Sewer	Park Improve-ment	Fire Station	Criminal Justice
Assets				
Cash and cash equivalents	$ 6,802,656	2,623,449	1,241,896	25,296
Investments	12,929,257	1,987,572	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	-	-	-
Accrued interest	36,002	6,867	854	-
Accounts receivable	-	-	-	-
Real estate held for resale	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Total assets	$ 19,767,915	4,617,888	1,242,750	25,296
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 373,261	900	225,679	-
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	589,178	-	195,137	-
Sundry payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	962,439	900	420,816	-
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted for:				
Police	-	-	-	25,296
Parks and recreation	-	4,616,988	-	-
Community development	-	-	-	-
Public works	18,805,476	-	-	-
Other purposes	-	-	821,934	-
Assigned to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	18,805,476	4,616,988	821,934	25,296
Total liabilities and fund balances	$ 19,767,915	4,617,888	1,242,750	25,296

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

Capital Project Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
6,575,746	659,958	126,698	988,649	2,031,523	11,581,028
-	497,428	-	-	2,981,045	7,934,393
-	-	-	-	-	-
2,503	1,856	-	427	9,676	48,324
-	-	-	-	215,271	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,578,249	1,159,242	126,698	989,076	5,237,515	19,563,745
54,689	-	-	586,681	144,917	355,464
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	194,670
-	-	-	-	-	-
-	-	-	-	-	-
54,689	-	-	586,681	144,917	550,134
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,523,560	-	126,698	-	-	19,013,611
	1,159,242	-	402,395	-	-
-	-	-	-	1,476,853	-
-	-	-	-	3,004,633	-
-	-	-	-	611,112	-
	-	-	-	-	-
6,523,560	1,159,242	126,698	402,395	5,092,598	19,013,611
6,578,249	1,159,242	126,698	989,076	5,237,515	19,563,745

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

	Capital Project Funds			
	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	HQ Hotel Public Space Bond
Assets				
Cash and cash equivalents	$ 131,500	697,194	14,962	18,929,526
Investments	-	-	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	-	-	-
Accrued interest	-	-	-	15,827
Accounts receivable	-	-	-	-
Real estate held for resale	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Total assets	131,500	697,194	14,962	18,945,353
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	651,367
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	118,822
Sundry payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	770,189
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted for:				
Police	-	-	-	-
Parks and recreation	-	-	-	-
Community development	131,500	697,194	-	18,175,164
Public works	-	-	-	-
Other purposes	-	-	14,962	-
Assigned to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	131,500	697,194	14,962	18,175,164
Total liabilities and fund balances	131,500	697,194	14,962	18,945,353

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2017
(Continued)

Capital Project Funds				
Convention Center Hotel Garage Bond	Gateway Development	PID #3 Parkside	Total nonmajor capital project funds	Total Nonmajor Governmental Funds
11,670,833	1,809,730	1,254,096	67,164,740	$ 103,653,948
-	1,985,672	-	28,315,367	30,729,376
-	-	-	-	6,833,362
9,449	9,193	773	141,751	168,360
-	-	-	215,271	1,057,446
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,162,349
-	-	-	-	2,500
11,680,282	3,804,595	1,254,869	95,837,129	143,607,341
924,646	-	330,751	3,648,355	6,208,974
-	-	-	-	346,654
-	-	-	-	1,051,821
58,449	-	-	1,156,256	1,156,256
-	-	-	-	642,367
-	-	-	-	983,499
983,095	-	330,751	4,804,611	10,389,571
-	-	-	-	2,500
-	-	-	25,296	1,508,821
-	-	-	4,616,988	4,616,988
10,697,187	-	924,118	30,625,163	66,872,507
-	3,804,595	-	48,273,940	51,041,920
-	-	-	2,398,533	4,584,228
-	-	-	1,476,853	1,476,853
-	-	-	3,004,633	3,004,633
-	-	-	611,112	611,112
-	-	-	-	(501,792)
10,697,187	3,804,595	924,118	91,032,518	133,217,770
11,680,282	3,804,595	1,254,869	95,837,129	$ 143,607,341

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017

	Special Revenue Funds				
	Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics	Historical Preservation
Revenues:					
Taxes	$ -	8,323,774	4,666,654	-	146,031
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	431,213	476,087	-
Intergovernmental	147,985	-	-	-	-
Investment income	-	36,640	36,114	-	1,968
Miscellaneous	-	17,210	141,507	7,800	-
Total revenues	147,985	8,377,624	5,275,488	483,887	147,999
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	222,442	-	-	318,418	-
Fire	-	-	-	-	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	9,002,143	4,576,047	-	75,112
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Interest and other charges	-	-	-	-	-
Total expenditures	222,442	9,002,143	4,576,047	318,418	75,112
Excess (deficiency) of revenues over (under) expenditures	(74,457)	(624,519)	699,441	165,469	72,887
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	79,305	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	79,305	-	-	-	-
Net change in fund balances	4,848	(624,519)	699,441	165,469	72,887
Fund balances, beginning of year	(4,848)	6,752,566	5,691,841	1,318,056	298,830
Fund balances, end of year	$ -	6,128,047	6,391,282	1,483,525	371,717

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

Special Revenue Funds				
Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	Convention Center Complex
-	-	-	-	6,942,820
-	372,717	-	-	-
-	-	-	-	-
624	-	149,750	215,150	-
-	6,963	-	-	9,236
-	42,284	-	10	-
624	421,964	149,750	215,160	6,952,056
-	-	-	-	-
624	-	237,894	32,990	-
-	-	-	-	-
-	-	-	137,601	-
-	-	-	-	-
-	126,632	-	85	-
-	-	-	-	-
-	-	-	18,750	-
-	-	-	-	-
-	-	-	11,449	-
-	-	-	-	-
624	126,632	237,894	200,875	-
-	295,332	(88,144)	14,285	6,952,056
-	-	-	-	-
-	-	-	-	-
-	-	88,144	-	-
-	-	-	-	(420,005)
-	-	88,144	-	(420,005)
-	295,332	-	14,285	6,532,051
-	1,232,631	-	301,233	1,986,810
-	1,527,963	-	315,518	8,518,861

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

	Special Revenue Funds				
	Entertainment Venue	Museum Fund	HUD Grants Fund	Library Grant Fund	Misc. Special Revenue
Revenues:					
Taxes	$ 6,017,099	365,078	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	3,221	-	-	-
Intergovernmental	-	-	3,097,180	79,972	-
Investment income	54,958	17,043	24	-	-
Miscellaneous	-	4,751	289,355	97,222	183,499
Total revenues	6,072,057	390,093	3,386,559	177,194	183,499
Expenditures:					
Current:					
General government	-	-	-	-	4,039
Police	-	-	-	-	650
Fire	-	-	-	-	-
Parks	-	-	-	-	73,035
Animal Services	-	-	-	-	276
Municipal court	-	-	-	-	-
Library	-	-	-	176,087	-
Community development	1,775,249	369,945	3,116,042	-	1,372
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Interest and other charges	-	-	-	-	-
Total expenditures	1,775,249	369,945	3,116,042	176,087	79,372
Excess (deficiency) of revenues over (under) expenditures	4,296,808	20,148	270,517	1,107	104,127
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	-	250,000	-	-	-
Transfers out	(4,491,146)	-	(52,709)	-	-
Total other financing sources (uses)	(4,491,146)	250,000	(52,709)	-	-
Net change in fund balances	(194,338)	270,148	217,808	1,107	104,127
Fund balances, beginning of year	10,275,999	3,745,030	(668,509)	39,369	197,611
Fund balances, end of year	10,081,661	4,015,178	(450,701)	40,476	301,738

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

Special Revenue Funds				
Emergency Management Grant	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	-	-	373,935	26,835,391
-	4,216,691	-	-	4,589,408
-	-	-	-	910,521
240,407	-	-	-	3,931,068
-	-	-	-	162,946
860	-	-	-	784,498
241,267	4,216,691	-	373,935	37,213,832
-	-	-	-	4,039
280,130	-	-	-	1,093,148
-	-	-	-	-
-	-	-	-	210,636
-	-	-	-	276
-	-	-	-	126,717
-	-	-	-	176,087
-	-	56,213	149,473	19,140,346
-	-	-	-	-
-	2,543,273	-	-	2,554,722
-	-	-	-	-
280,130	2,543,273	56,213	149,473	23,305,971
(38,863)	1,673,418	(56,213)	224,462	13,907,861
-	-	-	-	-
-	-	-	-	-
-	-	-	-	417,449
-	(534,155)	-	-	(5,498,015)
-	(534,155)	-	-	(5,080,566)
(38,863)	1,139,263	(56,213)	224,462	8,827,295
(12,228)	1,628,717	239,101	335,748	33,357,957
(51,091)	2,767,980	182,888	560,210	42,185,252

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017

	Capital Projects Funds			
	Storm Sewer	Park Improve-ment	Fire Station	Criminal Justice
Revenues:				
Taxes	$ -	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	112,311	24,297	16,310	-
Miscellaneous	4,143	163	1,309	-
Total revenues	116,454	24,460	17,619	-
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Animal services	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	189,639	36,444	13,060	-
Capital outlay	4,973,082	676,821	4,995,970	124,828
Total expenditures	5,162,721	713,265	5,009,030	124,828
Excess (deficiency) of revenues over (under) expenditures	(5,046,267)	(688,805)	(4,991,411)	(124,828)
Other financing sources (uses):				
Proceeds of general obligation and certificate of obligation bonds	12,296,704	2,304,128	758,016	-
Premium (discount) on bonds issued	897,232	168,121	55,309	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	13,193,936	2,472,249	813,325	-
Net change in fund balances	8,147,669	1,783,444	(4,178,086)	(124,828)
Fund balances, beginning of year	10,657,807	2,833,544	5,000,020	150,124
Fund balances, end of year	$ 18,805,476	4,616,988	821,934	25,296

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

Capital Projects Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	253,828	-
25,611	5,132	-	3,990	35,857	130,461
-	61	-	-	2,354,284	6,574
25,611	5,193	-	3,990	2,643,969	137,035
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,594	-	-	-	-	130,773
162,838	341,552	295,863	639,657	3,995,256	6,117,049
260,432	341,552	295,863	639,657	3,995,256	6,247,822
(234,821)	(336,359)	(295,863)	(635,667)	(1,351,287)	(6,110,787)
6,304,768	-	-	-	-	8,419,392
460,029	-	-	-	-	614,323
-	-	-	-	1,665,000	-
-	-	-	-	-	(900,000)
6,764,797	-	-	-	1,665,000	8,133,715
6,529,976	(336,359)	(295,863)	(635,667)	313,713	2,022,928
(6,416)	1,495,601	422,561	1,038,062	4,778,885	16,990,683
6,523,560	1,159,242	126,698	402,395	5,092,598	19,013,611

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	HQ Hotel Public Space Bond
Revenues:	$			
Taxes	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	6,481	51,858	-	92,113
Miscellaneous	-	-	-	-
Total revenues	6,481	51,858	-	92,113
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Animal services	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	-	-	-	302,620
Capital outlay	7,259,713	10,819,050	5,264	4,422,988
Total expenditures	7,259,713	10,819,050	5,264	4,725,608
Excess (deficiency) of revenues over (under) expenditures	(7,253,232)	(10,767,192)	(5,264)	(4,633,495)
Other financing sources (uses):				
Proceeds of general obligation and certificate of obligation bonds	-	-	-	22,488,194
Premium (discount) on bonds issued	-	-	-	320,465
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	22,808,659
Net change in fund balances	(7,253,232)	(10,767,192)	(5,264)	18,175,164
Fund balances, beginning of year	7,384,732	11,464,386	20,226	-
Fund balances, end of year	131,500	697,194	14,962	18,175,164

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2017
(Continued)

Capital Projects Funds				
Convention Center Hotel Garage Bond	Gateway Development	PID #3 Parkside	Total Capital Projects	Total Nonmajor Governmental Funds
-	-	-	-	26,835,391
-	-	-	-	4,589,408
-	-	-	-	910,521
-	-	-	253,828	4,184,896
51,881	23,796	12,037	592,135	755,081
-	-	-	2,366,534	3,151,032
51,881	23,796	12,037	3,212,497	40,426,329
-	-	-	-	4,039
-	-	-	-	1,093,148
-	-	-	-	-
-	-	-	-	210,636
-	-	-	-	276
-	-	-	-	126,717
-	-	-	-	176,087
-	-	-	-	19,140,346
-	-	-	-	2,554,722
206,452	-	-	976,582	976,582
2,284,087	94,872	1,561,912	48,770,802	48,770,802
2,490,539	94,872	1,561,912	49,747,384	73,053,355
(2,438,658)	(71,076)	(1,549,875)	(46,534,887)	(32,627,026)
13,025,000	-	-	65,596,202	65,596,202
110,845	-	-	2,626,324	2,626,324
-	-	-	1,665,000	2,082,449
-	-	-	(900,000)	(6,398,015)
13,135,845	-	-	68,987,526	63,906,960
10,697,187	(71,076)	(1,549,875)	22,452,639	31,279,934
-	3,875,671	2,473,993	68,579,879	101,937,836
10,697,187	3,804,595	924,118	91,032,518	133,217,770

(Concluded)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Criminal Justice Grant Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 144,485	$ 147,985	$ 3,500
Total revenues	144,485	147,985	3,500
Expenditures:			
Police	222,442	222,442	-
Total expenditures	222,442	222,442	-
Excess (deficiency) of revenues over (under) expenditures	(77,957)	(74,457)	3,500
Other financing sources:			
Transfers in	79,305	79,305	-
Total other financing sources:	79,305	79,305	-
Net change in fund balances	1,348	4,848	3,500
Fund balances, beginning of year	(4,848)	(4,848)	-
Fund balances, end of year	$ (3,500)	$ -	$ 3,500

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Convention and Visitors Bureau Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 7,989,640	8,323,774	334,134
Investment income	7,500	36,640	29,140
Miscellaneous	43,000	17,210	(25,790)
Total revenues	8,040,140	8,377,624	337,484
Expenditures:			
Community Development	10,386,469	9,002,143	1,384,326
Total expenditures	10,386,469	9,002,143	1,384,326
Excess (deficiency) of revenues over (under) expenditures	(2,346,329)	(624,519)	1,721,810
Net change in fund balances	(2,346,329)	(624,519)	1,721,810
Fund balances, beginning of year	6,752,566	6,752,566	-
Fund balances, end of year	$ 4,406,237	6,128,047	1,721,810

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Arts Center Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 4,524,724	4,666,654	141,930
Charges for services	460,731	431,213	(29,518)
Investment income	7,100	36,114	29,014
Miscellaneous	149,491	141,507	(7,984)
Total revenues	5,142,046	5,275,488	133,442
Expenditures:			
Community Development	5,909,667	4,576,047	1,333,620
Total expenditures	5,909,667	4,576,047	1,333,620
Excess (deficiency) of revenues over (under) expenditures	(767,621)	699,441	1,467,062
Net change in fund balances	(767,621)	699,441	1,467,062
Fund balances, beginning of year	5,691,841	5,691,841	-
Fund balances, end of year	$ 4,924,220	6,391,282	1,467,062

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Police Narcotics Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Charges for services	$ 207,919	476,087	268,168
Miscellaneous	15,000	7,800	(7,200)
Total revenues	222,919	483,887	260,968
Expenditures:			
Police	458,494	318,418	140,076
Total expenditures	458,494	318,418	140,076
Excess (deficiency) of revenues over (under) expenditures	(235,575)	165,469	401,044
Net change in fund balances	(235,575)	165,469	401,044
Fund balances, beginning of year	1,318,056	1,318,056	-
Fund balances, end of year	$ 1,082,481	1,483,525	401,044

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Historical Preservation Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	140,260	146,031	5,771
Investment income		400	1,968	1,568
Total revenues		140,660	147,999	7,339
Expenditures:				
Community development		86,350	75,112	11,238
Total expenditures		86,350	75,112	11,238
Excess of revenues over expenditures		54,310	72,887	18,577
Net change in fund balances		54,310	72,887	18,577
Fund balances, beginning of year		298,830	298,830	-
Fund balances, end of year	$	353,140	371,717	18,577

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Local Law Enforcement Block Grant Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 27,614	624	(26,990)
Total revenues	27,614	624	(26,990)
Expenditures:			
Police	27,614	624	26,990
Total expenditures	27,614	624	26,990
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Municipal Court Security Fees Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Fines	$ 331,913	372,717	40,804
Miscellaneous	78,645	42,284	(36,361)
Investment income	-	6,963	6,963
Total revenues	410,558	421,964	11,406
Expenditures:			
Municipal court	314,338	126,632	187,706
Total expenditures	314,338	126,632	187,706
Excess of revenues over expenditures	96,220	295,332	199,112
Net change in fund balances	96,220	295,332	199,112
Fund balances, beginning of year	1,232,631	1,232,631	-
Fund balances, end of year	$ 1,328,851	1,527,963	199,112

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Texas Highway Safety Grant Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 149,750	149,750	-
Total revenues	149,750	149,750	-
Expenditures:			
Police	237,894	237,894	-
Total expenditures	237,894	237,894	-
Deficiency of revenues under expenditures	(88,144)	(88,144)	-
Other financing sources:			
Transfers in	88,144	88,144	-
Total other financing sources:	88,144	88,144	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Grants Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 194,030	215,150	21,120
Miscellaneous revenue	16,942	10	(16,932)
Total revenues	210,972	215,160	4,188
Expenditures:			
Police	26,993	32,990	(5,997)
Fire	11,212	-	11,212
Parks	242,294	137,601	104,693
Community development	61,731	18,750	42,981
Municipal court	6,036	85	5,951
Public works	14,521	11,449	3,072
Total expenditures	362,787	200,875	161,912
Excess (deficiency) of revenues over (under) expenditures	(151,815)	14,285	166,100
Net change in fund balances	(151,815)	14,285	166,100
Fund balances, beginning of year	301,233	301,233	-
Fund balances, end of year	$ 149,418	315,518	166,100

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Convention Center Complex Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 6,238,387	6,942,820	704,433
Investment income	150	9,236	9,086
Total revenues	6,238,537	6,952,056	713,519
Expenditures:			
Community development	4,500	-	4,500
Total expenditures	4,500	-	4,500
Excess of revenues over expenditures	6,234,037	6,952,056	718,019
Other financing uses:			
Transfers out	(6,391,610)	(420,005)	5,971,605
Total other financings uses	(6,391,610)	(420,005)	5,971,605
Net change in fund balances	(157,573)	6,532,051	6,689,624
Fund balances, beginning of year	1,986,810	1,986,810	-
Fund balances, end of year	$ 1,829,237	8,518,861	6,689,624

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Entertainment Venue Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	5,610,387	6,017,099	406,712
Investment income		12,804	54,958	42,154
Total revenues		5,623,191	6,072,057	448,866
Expenditures:				
Community development		2,811,795	1,775,249	1,036,546
Total expenditures		2,811,795	1,775,249	1,036,546
Excess of revenues over expenditures		2,811,396	4,296,808	1,485,412
Other financing uses:				
Transfers out		(4,491,146)	(4,491,146)	-
Total other financing uses:		(4,491,146)	(4,491,146)	-
Net change in fund balances		(1,679,750)	(194,338)	1,485,412
Fund balances, beginning of year		10,275,999	10,275,999	-
Fund balances, end of year	$	8,596,249	10,081,661	1,485,412

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Museum Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 350,649	365,078	14,429
Charges for services	3,500	3,221	(279)
Investment income	-	17,043	17,043
Miscellaneous	5,400	4,751	(649)
Total revenues	359,549	390,093	30,544
Expenditures:			
Community development	3,349,896	369,945	2,979,951
Total expenditures	3,349,896	369,945	2,979,951
Excess (deficiency) of revenues over (under) expenditures	(2,990,347)	20,148	3,010,495
Other financing sources:			
Transfers in	250,000	250,000	-
Total other financing sources:	250,000	250,000	-
Net change in fund balances	(2,740,347)	270,148	3,010,495
Fund balances, beginning of year	3,745,030	3,745,030	-
Fund balances, end of year	$ 1,004,683	4,015,178	3,010,495

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – HUD Grants Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	8,417,433	3,097,180	(5,320,253)
Miscellaneous:				
Program income		166,243	286,988	120,745
Donations		3,588	2,367	(1,221)
Interest Income		-	24	24
Total revenues		8,587,264	3,386,559	(5,200,705)
Expenditures:				
Community development		8,439,009	3,116,042	5,322,967
Total expenditures		8,439,009	3,116,042	5,322,967
Excess of revenues over expenditures		148,255	270,517	122,262
Other financing uses:				
Transfers out		(97,107)	(52,709)	44,398
Total other financing uses		(97,107)	(52,709)	44,398
Net change in fund balances		51,148	217,808	166,660
Fund deficit, beginning of year		(668,509)	(668,509)	-
Fund deficit, end of year	$	(617,361)	(450,701)	166,660

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Library Grant Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	160,000	79,972	(80,028)
Miscellaneous		58	-	(58)
Other grant revenue		72,756	38,427	(34,329)
Donations		49,000	58,795	9,795
Total revenues		281,814	177,194	(104,620)
Expenditures:				
Library		281,604	176,087	105,517
Total expenditures		281,604	176,087	105,517
Excess of revenues over expenditures		210	1,107	897
Net change in fund balances		210	1,107	897
Fund balances, beginning of year		39,369	39,369	-
Fund balances, end of year	$	39,579	40,476	897

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Special Revenue Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Miscellaneous	$ 305,831	183,499	(122,332)
Total revenues	305,831	183,499	(122,332)
Expenditures:			
General government	107,250	4,039	103,211
Fire	10,406	-	10,406
Animal services	209,412	276	209,136
Parks	198,646	73,035	125,611
Municipal court	-	-	-
Community development	110,319	2,022	108,297
Total expenditures	636,033	79,372	556,661
Excess (deficiency) of revenues over (under) expenditures	(330,202)	104,127	434,329
Net change in fund balances	(330,202)	104,127	434,329
Fund balances, beginning of year	197,611	197,611	-
Fund balances, end of year	$ (132,591)	301,738	434,329

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Emergency Management Grant Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	332,932	240,407	(92,525)
Program income		-	860	860
Miscellaneous Income		-	-	-
Total revenues		332,932	241,267	(91,665)
Expenditures:				
Police		203,559	280,130	(76,571)
Total expenditures		203,559	280,130	(76,571)
Excess (deficiency) of revenues over (under) expenditures		129,373	(38,863)	(168,236)
Net change in fund balances		129,373	(38,863)	(168,236)
Fund balances, beginning of year		(12,228)	(12,228)	-
Fund balances, end of year	$	117,145	(51,091)	(168,236)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Red Light Enforcement Fund

Year ended September 30, 2017

		Budget	Actual	Variance positive (negative)
Revenues:				
Fines, forfeitures, and penalties	$	1,600,000	4,216,691	2,616,691
Total revenues		1,600,000	4,216,691	2,616,691
Expenditures:				
Traffic		1,849,849	2,543,273	(693,424)
Total expenditures		1,849,849	2,543,273	(693,424)
Excess (deficiency) of revenues over (under) expenditures		(249,849)	1,673,418	1,923,267
Other financing uses:				
Transfers out		(534,155)	(534,155)	-
Total other financing uses		(534,155)	(534,155)	-
Net change in fund balances		(784,004)	1,139,263	1,923,267
Fund balances, beginning of year		1,628,717	1,628,717	-
Fund balances, end of year	$	844,713	2,767,980	1,923,267

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Housing Finance Corporation Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Expenditures:			
Community development	-	56,213	(56,213)
Total expenditures	-	56,213	(56,213)
Deficiency of revenues under expenditures	-	(56,213)	(56,213)
Net change in fund balances	-	(56,213)	(56,213)
Fund balances, beginning of year	239,101	239,101	-
Fund balances, end of year	$ 239,101	182,888	(56,213)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – PEG Fee Fund

Year ended September 30, 2017

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 380,000	373,935	(6,065)
Total revenues	380,000	373,935	(6,065)
Expenditures:			
Community development	260,000	149,473	110,527
Total expenditures	260,000	149,473	110,527
Excess of revenues over expenditures	120,000	224,462	104,462
Net change in fund balances	120,000	224,462	104,462
Fund balances, beginning of year	335,748	335,748	-
Fund balances, end of year	$ 455,748	560,210	104,462

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department for another. The City's Internal Service Funds are as follows:

Garage and Equipment Replacement – This fund is to account for the repair, maintenance, and replacement of all City vehicles. The Garage and Equipment Replacement Fund accounts for all City vehicles, and charges user departments for the costs of servicing and replacing City vehicles. The charges are allocated to the various departments in proportion to the number and types of vehicles operated by the department and in proportion to the extent of the use of the maintenance service.

Self-Insurance – This fund is to account for the City's self–insurance programs. The City is self-insured for workers' compensation, general liability, auto physical damage, and employees' medical benefits for those who elect the City's coverage. The City's group life insurance coverage is also included in this fund for financial reporting convenience.

Computer Replacement – This fund is to provide for the replacement of City computers. The individual departments transfer money into this fund each year based on depreciation.

City of Irving, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2017

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 4,638,298	4,500,943	1,396,926	10,536,167
Investments	8,177,540	23,785,525	1,486,895	33,449,960
Accounts receivable, net	-	975,869	-	975,869
Accrued interest	16,068	78,635	10,349	105,052
Inventories, at cost	133,868	-	-	133,868
Total current assets	12,965,774	29,340,972	2,894,170	45,200,916
Noncurrent assets:				
Capital assets:				
Buildings	147,980	-	-	147,980
Equipment	56,853,558	-	8,353,679	65,207,237
Construction in progress	1,321,116	-	-	1,321,116
Less: accumulated depreciation	(38,924,867)	-	(7,971,345)	(46,896,212)
Total noncurrent assets	19,397,787	-	382,334	19,780,121
Total assets	32,363,561	29,340,972	3,276,504	64,981,037
Deferred outflows of resources				
City contributions made after measurement date	248,125	-	-	248,125
Difference in projected and actual earnings of pension plan investments	388,902	-	-	388,902
Difference in assumptions	108,890	-	-	108,890
Difference in expected and actual experience	1,033	-	-	1,033
Total deferred outflow of resources	746,950	-	-	746,950
Liabilities				
Current liabilities:				
Accounts payable	281,851	420,588	373,160	1,075,599
Accrued wages and benefits	81,091	-	-	81,091
Sundry payables	-	5,997	-	5,997
Lease payable	1,278,646	-	-	1,278,646
Estimated liability for unpaid claims	-	4,617,768	-	4,617,768
Total current liabilities	1,641,588	5,044,353	373,160	7,059,101
Noncurrent liabilities, net of current portion:				
Estimated liability for unpaid claims	-	3,687,025	-	3,687,025
OPEB payable	321,855	-	-	321,855
Net Pension Liabilities	1,497,506	-	-	1,497,506
Lease payable	4,388,621	-	-	4,388,621
Total noncurrent liabilities	6,207,982	3,687,025	-	9,895,007
Total liabilities	7,849,570	8,731,378	373,160	16,954,108
Deferred inflows of resources				
Difference in expected and actual experience	55,367	-	-	55,367
Net Position				
Net investment in capital assets	13,730,520	-	382,334	14,112,854
Unrestricted	11,475,054	20,609,594	2,521,010	34,605,658
Total net position	$ 25,205,574	20,609,594	2,903,344	48,718,512

City of Irving, Texas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year ended September 30, 2017

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Operating revenues:				
Charges for services	$ 9,851,551	34,167,754	1,026,734	45,046,039
Miscellaneous	62,463	998,595	303,030	1,364,088
Total operating revenues	9,914,014	35,166,349	1,329,764	46,410,127
Operating expenses:				
Personnel services	1,983,932	-	-	1,983,932
Supplies	4,064,177	-	1,224,793	5,288,970
Maintenance	208,393	-	-	208,393
Depreciation	4,429,186	-	235,444	4,664,630
Claims	-	23,876,095	-	23,876,095
Insurance premiums	-	2,431,193	-	2,431,193
Other	101,067	2,366,670	656,358	3,124,095
Total operating expenses	10,786,755	28,673,958	2,116,595	41,577,308
Operating income (loss)	(872,741)	6,492,391	(786,831)	4,832,819
Nonoperating revenues:				
Investment income	49,146	167,592	20,814	237,552
Interest expense	(33,580)	-	-	(33,580)
Gain on sale of capital assets	196,525	-	-	196,525
Total nonoperating revenue	212,091	167,592	20,814	400,497
Income (loss)	(660,650)	6,659,983	(766,017)	5,233,316
Transfers out	(791,577)	-	-	(791,577)
Change in net position	(1,452,227)	6,659,983	(766,017)	4,441,739
Net position, beg of year	26,657,801	13,949,611	3,669,361	44,276,773
Net position, end of year	$ 25,205,574	20,609,594	2,903,344	48,718,512

City of Irving, Texas
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2017

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Cash flows from operating activities:				
Receipts from customers	$ 9,851,551	33,191,885	1,329,764	44,373,200
Payments to suppliers for goods, services and claims	(4,515,128)	(27,098,911)	(1,561,833)	(33,175,872)
Payments to employees	(1,807,064)	-	-	(1,807,064)
Other receipts	62,463	998,595	-	1,061,058
Other payments	-	(2,366,670)	-	(2,366,670)
Net cash provided by (used in) operating activities	3,591,822	4,724,899	(232,069)	8,084,652
Cash flows from capital and related financing activities:				
Proceeds from lease agreement	4,037,034	-	-	4,037,034
Principal payment on lease payable	(598,929)	-	-	(598,929)
Interest payment on lease payable	(33,580)	-	-	(33,580)
Proceeds from sale of capital assets	196,525	-	-	196,525
Acquisitions of capital assets	(5,291,905)	-	(87,599)	(5,379,504)
Net cash used in capital and related financing activities	(1,690,855)	-	(87,599)	(1,778,454)
Cash flows from investing activities:				
Interest on investments	37,538	115,022	19,148	171,708
Purchase of investments	(11,662,912)	(26,774,557)	(2,482,858)	(40,920,327)
Maturities of investments	6,474,912	19,945,889	3,482,305	29,903,106
Net cash provided by (used in) investing activities	(5,150,462)	(6,713,646)	1,018,595	(10,845,513)
Net increase (decrease) in cash and cash equivalents	(3,249,495)	(1,988,747)	698,927	(4,539,315)
Cash and cash equivalent, beginning of the year	7,887,793	6,489,690	697,999	15,075,482
Cash and cash equivalent, end of the year	$ 4,638,298	4,500,943	1,396,926	10,536,167

(continued)

City of Irving, Texas
Combining Statement of Cash Flows -
Reconciliation of Operating Income
Internal Service Funds
Year ended September 30, 2017

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (872,741)	6,492,391	(786,831)	4,832,819
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: operating activities:				
Depreciation	4,429,186	-	235,444	4,664,630
Changes in assets and liabilities:				
(Increase) in accounts receivable	-	(975,869)	-	(975,869)
(Increase) in inventories	(11,684)	-	-	(11,684)
(Increase) in city contributions made after measurement date	(14,449)	-	-	(14,449)
Decrease in difference in projected and actual earnings of pension plan investments	88,968	-	-	88,968
Decrease in difference in assumption	29,652	-	-	29,652
(Increase) in difference in expected and annual experience	(211)	-	-	(211)
Increase (decrease) in accounts payable	(129,807)	295,790	319,318	485,301
Increase in accrued wages and benefits	9,768	-	-	9,768
Increase in sundry payable	-	5,997	-	5,997
Decrease in estimated liability for unpaid claims	-	(1,093,410)	-	(1,093,410)
Increase in OPEB payable	32,476	-	-	32,476
Increase in net pension liability	29,245	-	-	29,245
Increase in difference in expected and actual experience	1,419	-	-	1,419
Total adjustments	4,464,563	(1,767,492)	554,762	3,251,833
Net cash provided by (used in) operating activities	$ 3,591,822	4,724,899	(232,069)	8,084,652
Non-cash financing, capital and investing activities:				
Transfer of capital assets	$ (791,577)	-	-	(791,577)

(concluded)

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Trust and Agency Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Funds are as follows:

Pension Trust Funds

Supplemental Benefit Plan – This fund is to account for funds held to provide retirement income to City employees. The plan is funded through contributions from the City and employees' payroll deductions. The plan was established to provide retirement income to supplement benefits provided through the Texas Municipal Retirement System.

Voluntary Employee Beneficiary Association – This fund is to account for funds held to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. Funds can also be used to offset active employee health insurance premiums. The plan is funded through contributions from the City.

Agency Funds

Cash Bond – This fund is to account for cash bonds posted by an individual accused of committing a crime. The amount of the bond will be sufficient to cover any potential fines. The bonds of those who fail to appear are forfeited and recorded as General Fund revenues. Bonds of those who do appear are returned, net of any penalties or fines.

CITY OF IRVING, TEXAS

Combining Statement of Plan Net Position - Pension Trust Funds

Year ended September 30, 2017

	Pension Trust Funds		
Assets	Supplemental Benefit Plan	Voluntary Employee Beneficiary Association	Total
Cash and cash equivalents	$ 1,771,814	228,976	2,000,790
Receivables			
Account receivable	91,874	-	91,874
Interest receivable on investments	66	-	66
Investments, at fair value			
U.S. Government securities	2,844,134	-	2,844,134
Common stock	24,623,245	-	24,623,245
Alternative investment/hedge fund	19,052,248	-	19,052,248
Mutual funds	4,365,310	-	4,365,310
Corporate bonds	4,920,219	-	4,920,219
Total assets	57,668,910	228,976	57,897,886
Net Position			
Held in trust for pension benefits and other purposes	$ 57,668,910	228,976	57,897,886

CITY OF IRVING, TEXAS

Statement of Changes in Plan Net Position - Pension Trust Funds

Year ended September 30, 2017

	Pension Trust Funds		
	Supplemental Benefits Plan	Voluntary Employee Beneficiary Association	Total
ADDITIONS:			
Employee contributions	$ 2,594,672	-	2,594,672
Employer contributions	2,118,833	-	2,118,833
Investment income			
Net increase in fair value of investments	3,766,421	-	3,766,421
Interest Income	1,065,201	-	1,065,201
Total investment income	4,831,622	-	4,831,622
Less investment expense	(300,641)	-	(300,641)
Net investment income (loss)	4,530,981	-	4,530,981
Total additions	9,244,486	-	9,244,486
DEDUCTIONS:			
Benefits and refunds paid	4,119,261	53,325	4,172,586
Administrative costs	147,778	-	147,778
Total deductions	4,267,039	53,325	4,320,364
Net change in plan net position	4,977,447	(53,325)	4,924,122
Plan net position, beginning of year	52,691,463	282,301	52,973,764
Plan net position, end of year	$ 57,668,910	228,976	57,897,886

CITY OF IRVING, TEXAS

Statement of Changes in Assets and Liabilities - Agency Fund

Year ended September 30, 2017

Cash Bond Fund		Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
Assets:					
Cash and cash equivalents	$	48,950	472,248	492,735	28,463
Total assets	$	48,950	472,248	492,735	28,463
Liabilities:					
Sundry payables	$	48,950	586,939	607,426	28,463
Total liabilities	$	48,950	586,939	607,426	28,463

CITY OF IRVING, TEXAS

Statistical Section (Unaudited)

This part of the City of Irving's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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These schedules contain trend information to help the readers understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	160
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	166
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	171
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	176
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF IRVING, TEXAS

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2008	2009	2010	2011	2012
Governmental activities:					
Net investment in capital assets	$ 364,411	$ 371,723	$ 337,116	$ 336,269	$ 313,508
Restricted	54,444	54,492	48,376	47,770	57,316
Unrestricted	55,007	52,171	25,699	32,383	35,147
Total governmental activities net position	$ 473,862	$ 478,386	$ 411,191	$ 416,422	$ 405,971
Business-type activities:					
Net investment in capital assets	$ 202,704	$ 208,630	$ 251,247	$ 253,903	$ 262,333
Restricted	16,662	9,482	9,558	10,420	10,618
Unrestricted	35,202	41,557	39,529	54,309	65,000
Total business-type activities net position	$ 254,568	$ 259,669	$ 300,334	$ 318,632	$ 337,951
Primary government:					
Net investment in capital assets	$ 567,115	580,353	$ 588,363	$ 590,172	$ 575,841
Restricted	71,107	63,974	57,934	58,190	67,934
Unrestricted	90,209	93,728	65,228	86,692	100,147
Total primary government net position	$ 728,431	$ 738,055	$ 711,525	$ 735,054	$ 743,922

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt issuance now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

2013	2014	2015	2016	2017
$ 307,145	$ 287,777	$ 302,297	$ 306,679	$ 314,198
66,824	78,508	89,993	107,018	128,948
42,383	31,746	(23,930)	(30,480)	(33,891)
$ 416,352	$ 398,031	$ 368,360	$ 383,218	$ 409,255
$ 268,767	$ 273,032	$ 290,324	$ 312,096	$ 337,869
11,341	11,093	11,103	11,332	12,024
73,204	78,761	68,523	61,751	66,224
$ 353,312	$ 362,886	$ 369,950	$ 385,179	$ 416,117
$ 575,912	$ 560,809	$ 592,621	$ 618,775	$ 652,067
78,165	89,601	101,097	118,350	140,973
115,587	110,507	44,592	31,271	32,332
$ 769,665	$ 760,917	$ 738,310	$ 768,396	$ 825,372

CITY OF IRVING, TEXAS

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	$ 48,229	$ 55,249	$ 31,975	$ 34,892	$ 35,741
Police	52,541	56,752	58,015	54,712	53,943
Fire	33,480	35,732	36,256	36,349	37,142
Public health & environmental services	8,390	8,259	-	-	-
Animal Services	1,014	1,172	1,316	925	892
Parks and recreation	15,680	15,853	19,161	15,304	15,508
Municipal court	3,159	3,079	3,183	3,036	2,918
Library	7,416	7,317	7,107	6,488	6,448
Community development	24,040	30,081	42,752	32,656	27,393
Drainage utilities	4,685	5,013	-	-	-
Public works	23,656	33,100	33,706	25,185	25,945
Interest on long-term debt	9,186	15,554	16,601	16,900	16,283
Total governmental activities expenses	231,476	267,161	250,072	226,447	222,213
Business-type activities:					
Water and sanitary sewer	67,022	70,185	70,415	72,151	66,593
Solid waste	-	-	-	10,562	10,541
Municipal Drainage	-	-	-	6,205	5,177
Total business-type activities expenses	67,022	70,185	70,415	88,918	82,311
Total primary government expenses	$ 298,498	$ 337,346	$ 320,487	$ 315,364	$ 304,524
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	$ 12,922	7,795	$ 3,787	$ 4,449	$ 4,430
Police	2,908	5,020	5,276	5,203	5,588
Fire	2,305	2,050	3,954	3,695	4,076
Public health & environmental services	10,518	10,941	-	-	-
Municipal court	8,976	8,804	7,972	7,459	8,743
Community development	3,274	5,195	8,020	3,890	1,382
Drainage Utilities	4,401	5,144	-	-	-
Other	2,282	2,059	2,344	2,362	2,388
Operating grants and contributions	8,779	9,804	12,021	12,997	10,686
Capital grants and contributions	4,184	14,256	1,987	6,631	1,694
Total governmental activities program revenues	60,549	71,068	45,361	46,686	38,987
Business-type activities:					
Charges for services:					
Water and sewer	71,659	75,901	75,513	85,404	84,382
Solid waste	-	-	10,483	11,204	11,238
Municipal Drainage	-	-	5,209	5,247	5,242
Capital grants and contributions	2,306	3,475	497	1,405	1,543
Total business-type activities program revenues	73,965	79,376	91,702	103,260	102,405
Total primary government program revenues	$ 134,514	$ 150,444	$ 137,063	$ 149,946	$ 141,392

(continued)

2013	2014	2015	2016	2017
$ 36,685	$ 31,865	$ 40,429	$ 42,468	$ 41,430
56,113	56,605	73,179	61,715	65,431
39,778	39,457	40,783	47,935	52,978
-	-	-	-	-
1,291	1,380	1,754	1,693	1,915
15,738	16,640	20,323	19,288	18,428
2,920	2,923	3,697	2,996	3,248
6,391	6,844	8,829	8,085	8,218
23,482	37,323	35,564	35,217	35,600
-	-	-	-	-
26,857	33,786	30,365	30,045	32,658
20,305	20,530	20,465	20,281	21,929
229,560	247,353	275,387	269,724	281,837
70,189	75,350	82,733	83,728	86,772
10,928	10,951	12,477	12,230	11,916
5,445	5,651	6,749	5,775	5,790
86,562	91,952	101,960	101,734	104,478
$ 316,122	$ 339,305	377,348	371,457	386,314
$ 5,631	$ 5,173	$ 6,409	$ 5,274	$ 6,250
5,705	5,576	5,000	5,822	8,388
4,130	3,953	4,217	4,683	5,207
-	-	-	-	-
7,810	7,470	6,509	4,953	5,480
1,349	1,535	1,563	2,657	2,195
-	-	-	-	-
2,448	2,755	2,656	3,204	3,156
11,190	11,159	12,815	13,759	14,405
2,174	2,842	7,041	5,928	8,262
40,439	40,463	46,210	46,282	53,342
85,157	82,397	84,826	92,380	106,758
11,130	11,716	12,449	13,149	15,203
5,250	5,527	5,241	5,234	5,254
1,054	2,257	5,676	6,391	7,286
102,591	101,897	108,192	117,154	134,502
$ 143,030	$ 142,360	$ 154,401	$ 163,435	$ 187,843

(continued)

City of Irving, Texas

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2008	2009	2010	2011	2012
Net (Expenses)/Program Revenues					
Governmental activities	$ (170,927)	$ (196,093)	$ (204,711)	$ (179,761)	$ (183,226)
Business-type activities	6,943	9,191	21,287	14,342	20,094
Total primary government net expenses	(163,984)	(186,902)	(183,424)	(165,419)	(163,132)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	92,875	98,044	94,175	96,490	99,163
Sales taxes	50,650	47,390	44,311	48,212	48,067
Gross receipts taxes	18,933	26,706	19,108	19,961	19,130
Hotel / motel occupancy taxes	24,528	19,866	15,791	18,031	18,939
Other taxes and fees	-	-	-	-	-
Investment income	8,203	2,723	794	257	177
Miscellaneous	814	780	709	270	1,761
Special Item - landfill closure and post closure	-	-	(41,909)	-	-
Special Item - sale of real estate	7,515	-	-	-	-
Special Item - loss on loan commitment	-	-	-	-	(15,984)
Special Item - loss on development	-	-	-	-	-
Gain on sale of assets	4,082	295	248	404	626
Transfers	-	4,813	4,289	1,367	896
Total governmental activities	207,600	200,617	137,516	184,992	172,775
Business-type activities:					
Investment income	2,793	953	261	143	121
Special Item - landfill closure and post closure	-	-	41,909	-	-
Transfers	-	(4,813)	(4,290)	(1,367)	(896)
Total business-type activities	2,793	(3,860)	37,880	(1,224)	(775)
Total primary government	210,393	196,757	175,396	183,768	172,000
Change in Net Position					
Governmental activities	36,673	4,524	(67,195)	5,231	(10,451)
Business-type activities	9,736	5,331	59,167	13,118	19,319
Total primary government	$ 46,409	$ 9,855	$ (8,028)	$ 18,349	$ 8,868

(continued)

Note: In 2010, the governmental activities for public health & environmental services and drainage utilities were operated as business-type activities under solid waste and municipal drainage respectively.

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt now expensed at the time of Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

2013	2014	2015	2016	2017
$ (189,121)	$ (206,889)	$ (229,178)	$ (223,441)	$ (228,495)
16,029	9,946	6,232	15,420	30,024
(173,092)	(196,943)	(222,946)	(208,021)	(198,471)
103,374	106,352	112,750	124,478	136,148
53,214	56,356	64,626	65,247	67,933
19,316	20,041	19,964	20,110	20,889
20,869	22,977	24,617	25,764	26,286
-	-	-	-	175.85
233	204	250	917	2,175
1,561	1,372	1,156	1,005	874
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(19,512)	-	-	-
114	276	162	211	197
825	500	500	566	(144)
199,506	188,566	224,025	238,299	254,532
157	130	124	375	771
-	-	-	-	-
(825)	(500)	(500)	(566)	144
(668)	(370)	(376)	(191)	915
198,838	188,196	223,649	238,107	255,446
10,385	(18,323)	(5,153)	14,857	26,037
15,361	9,576	5,856	15,229	30,938
$ 25,746	$ (8,747)	$ 703	$ 30,086	$ 56,976

(concluded)

CITY OF IRVING, TEXAS

Fund Balances of Governmental funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund:					
Non-spendable	$ -	$ -	$ -	$ 1,090	$ 88
Reserved *	2,525	1,827	5,172	-	-
Committed	-	-	-	3,500	-
Assigned	-	-	-	13,244	18,161
Unreserved/unassigned	31,714	34,397	27,975	17,973	22,271
Total General Fund	$ 34,239	$ 36,224	$ 33,147	$ 35,807	$ 40,520
All other governmental funds:					
Non-Spendable	$ -	$ -	$ -	$ -	$ -
Reserved for:					
Encumbrances	51,274	111,551	33,799	-	-
Debt service	8,219	23,522	18,029	-	-
Unreserved, reported in:					
Special revenue funds	32,586	37,211	29,806	-	-
Capital projects	59,735	63,480	52,425	-	-
Restricted for:					
Debt service	-	-	-	19,518	22,708
Police	-	-	-	1,243	1,611
Parks and recreation	-	-	-	3,318	1,563
Library	-	-	-	5,017	11,150
Community development	-	-	-	38,926	43,279
Public works	-	-	-	26,443	23,529
Other purposes	-	-	-	3,792	11,969
Assigned to:					
Parks and recreation	-	-	-	1,688	1,420
Public works	-	-	-	4,064	2,652
Other capital projects	-	-	-	703	1,464
Unassigned	-	-	-	-	(724)
Total all other governmental funds	$ 151,814	$ 235,764	$ 134,059	$ 104,712	$ 120,621

Note: Through fiscal year 2010 includes encumbrances, and noncurrent loan receivables and prepaid items.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal Year 2011.

Fiscal Year				
2013	2014	2015	2016	2017
$ 60	$ 41	$ 174	$ 61	$ 44
-	-	-	-	-
-	-	-	-	550
22,365	19,962	6,378	6,181	5,877
29,034	32,067	54,022	54,922	61,229
$ 51,459	$ 52,070	$ 60,574	$ 61,164	$ 67,700
$ -	$ -	$ -	$ 54	$ 2
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
22,407	28,560	33,745	34,095	31,742
1,423	1,514	1,601	1,313	1,509
1,908	2,838	3,258	2,834	4,617
8,481	2,652	-	-	-
50,578	94,476	97,416	88,872	124,313
29,333	41,631	22,494	36,049	51,042
14,702	6,503	10,415	9,470	4,584
3,156	1,049	649	1,864	1,477
2,744	4,116	1,023	2,628	3,005
961	2,905	824	287	611
(1,274)	(1,170)	(1,101)	(692)	(502)
$ 134,419	$ 185,074	$ 170,324	$ 176,774	$ 222,399

CITY OF IRVING, TEXAS

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	$186,792	$191,655	$173,530	$182,848	$185,219
Fees, licenses, & permits	9,392	7,600	7,735	8,277	8,940
Fines, forfeitures & penalties	8,630	8,810	9,657	9,230	10,021
Charges for services	16,368	17,603	1,146	1,289	1,051
Intergovernmental	13,335	13,970	21,181	21,823	18,618
Investment income	6,985	2,348	693	248	147
Sale of property	814	780	710	270	2
Miscellaneous	10,009	11,534	13,241	13,521	8,749
Total revenues	$252,325	254,300	227,893	237,506	232,747
Expenditures					
General government	45,601	43,643	39,458	40,350	39,009
Police	50,133	55,019	54,642	53,454	51,959
Fire	32,797	34,375	34,090	33,767	33,732
Public health & environ. services	7,349	7,445	-	-	-
Animal Services	1,141	1,134	1,259	919	872
Parks and recreation	13,775	13,777	16,223	12,941	12,833
Municipal court	3,105	2,966	3,212	2,970	2,794
Library	6,841	6,822	6,486	6,018	5,816
Community development	28,361	28,480	38,907	29,987	25,680
Drainage utilities	3,996	4,275	-	-	-
Public Works	12,489	11,858	12,001	14,167	15,468
Debt service - principal	17,135	17,045	17,865	15,565	13,825
Debt service - interest	9,547	15,133	18,122	17,717	17,727
Debt service - contract payments	1,816	2,052	2,415	2,052	2,323
Capital outlay	41,542	87,597	112,285	39,556	12,845
Total expenditures	275,628	331,621	356,965	269,463	234,883
Deficiency of revenues under expenditures	(23,303)	(77,321)	(129,072)	(31,957)	(2,136)
Other financing sources (uses)					
Transfer in	11,939	51,294	17,779	29,540	16,304
Transfers out	(11,939)	(46,481)	(21,213)	(31,443)	(15,408)
Bond proceeds	36,725	159,790	26,975	6,505	21,398
Premium on bonds issued	4	779	748	3,867	383
Proceeds of refunding bonds	-	21,305	-	51,825	30,047
Loan proceeds	-	-	-	-	-
Sale of capital assets	11,528	-	-	-	-
Payment to refunded bond agent	-	(23,430)	-	(55,024)	(29,966)
Total other financing sources (uses)	48,257	163,257	24,289	5,270	22,758
Net change in fund balances	$ 24,954	$ 85,936	$ (104,783)	$ (26,687)	$ 20,622
Debt service as a percentage of noncapital expenditures	11.77%	12.80%	14.21%	14.52%	14.95%

Schedule 4

Fiscal Year				
2013	2014	2015	2016	2017
$195,866	$207,208	$221,700	$235,577	$250,150
9,516	9,622	9,765	9,962	11,396
9,363	8,422	8,495	7,665	9,854
1,278	1,283	1,405	1,196	1,483
19,273	19,177	20,504	22,303	20,999
201	191	218	820	1,937
1	42	-	-	-
9,724	8,898	9,747	11,176	11,577
245,222	254,843	271,834	288,699	307,396
40,436	34,526	37,988	43,150	40,873
51,615	54,407	55,588	58,526	59,917
34,298	36,642	38,013	41,669	44,331
-	-	-	-	-
1,301	1,382	1,533	1,684	1,807
13,116	13,966	14,824	16,045	16,365
3,008	2,851	2,886	2,846	2,972
5,899	6,279	6,647	7,115	6,986
24,191	34,257	33,831	35,976	39,459
-	-	-	-	-
16,212	17,194	16,868	19,099	20,447
15,615	18,335	16,110	20,400	22,210
18,539	20,244	23,074	21,614	22,587
2,289	2,584	1,831	162	177
25,033	44,774	41,846	42,420	48,771
251,552	287,441	291,039	310,706	326,902
(6,330)	(32,598)	(19,205)	(22,007)	(19,505)
23,660	21,801	25,278	26,233	20,815
(22,835)	(21,301)	(24,778)	(25,667)	(20,167)
29,763	80,235	12,205	24,830	68,148
581	1,744	630	6,449	7,650
5,775	24,660	10,565	18,365	30,405
-	-	-	-	-
-	-	-	-	-
(5,876)	(23,275)	(10,941)	(21,163)	(35,185)
31,068	83,864	12,959	29,047	71,666
$ 24,738	$ 51,266	$ (6,246)	$ 7,040	$ 52,161
15.08%	17.03%	15.65%	16.36%	16.41%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2008	15,909,491,660	3,844,825,960	2,582,042,873	17,172,274,747	0.5406
2009	16,480,503,230	4,401,611,390	2,675,755,969	18,206,358,651	0.5406
2010	15,196,175,096	4,383,697,175	1,752,273,031	17,827,599,240	0.5406
2011	14,489,719,443	4,325,358,790	1,738,763,643	17,076,314,590	0.5761
2012	14,053,559,590	4,379,200,039	1,726,293,841	16,706,465,788	0.5986
2013	14,477,941,179	4,581,909,748	1,704,519,446	17,355,331,481	0.5986
2014	15,108,000,600	4,706,099,281	1,739,100,396	18,074,999,485	0.5986
2015	16,337,848,517	4,793,780,413	1,842,898,409	19,288,730,521	0.5941
2016	17,631,447,648	5,531,180,324	1,991,668,357	21,170,959,615	0.5941
2017	19,392,673,254	5,791,151,146	2,199,427,628	22,984,396,772	0.5941

Source: Dallas Central Appraisal District - Original Certified Tax Roll

Property Tax Rates - Direct and Overlapping (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal year	City of Irving			Irving School District	Dallas County	Total (1)
	General fund	Debt Service fund	Total			
2008	0.4072	0.1334	0.5406	1.3485	0.5672	2.46
2009	0.4057	0.1349	0.5406	1.3910	0.5764	2.51
2010	0.3813	0.1593	0.5406	1.4250	0.6022	2.57
2011	0.4152	0.1609	0.5761	1.4650	0.6233	2.66
2012	0.4415	0.1571	0.5986	1.4650	0.6238	2.69
2013	0.4462	0.1524	0.5986	1.4650	0.6434	2.71
2014	0.4452	0.1534	0.5986	1.4650	0.6538	2.72
2015	0.4518	0.1423	0.5941	1.4350	0.6639	2.69
2016	0.4650	0.1291	0.5941	1.4450	0.6628	2.70
2017	0.4641	0.1300	0.5941	1.4450	0.6547	2.69

Source: Irving Independent School District and Dallas County

(1) Dallas County rates include all jurisdictions for which ad valorem taxes are applicable to the entire City. These rates have been presented using the assessment ratio applied by the City of Irving in each respective year. Certain jurisdictions have been omitted for which immaterial amounts of taxing authority are applicable to the City.

IRVING
TEXAS

CITY OF IRVING, TEXAS **Schedule 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

		2017			2008		
	Taxpayer	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
*	Aviall, Inc	$1,260,762,550	1	5.49%	$ 433,859,750	1	2.39%
	AGRE Williams Square	240,000,000	2	1.04%	-		-
	Zale Delaware	228,080,720	3	0.99%	168,359,350	3	0.93%
	AMLI Properties	192,194,370	4	0.84%	-		-
*	Oncor Electric Delivery	184,448,210	5	0.80%	170,986,310	2	0.94%
*	Neiman Marcus Distribution	154,093,370	6	0.67%	83,942,690	9	0.46%
	Las Colinas HR DST	147,000,840	7	0.64%	-		-
	PCPI Urban Towers	118,618,880	8	0.52%	-		-
	Exxon Mobil Corp	113,898,930	9	0.50%	92,391,040	8	0.51%
*	Citicorp Credit Services	110,491,680	10	0.48%			
	TIAA Realty, Inc	-		-	139,663,500	4	0.77%
	GTE Realty Corp	-		-	123,040,160	5	0.68%
	BF Las Colinas LP	-		-	95,951,600	6	0.53%
	Verizon	-		-	94,561,280	7	0.52%
	GE Aviation Materials LP	-		-	80,437,840	10	0.44%
	Total	$2,749,589,550		11.96%	$ 1,483,193,520		8.16%

Source: City of Irving Economic and Demographic Data Book
* Taxable Assessed Value offset by active incentive agreements

CITY OF IRVING, TEXAS

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Certified Current Tax Levy (1)	Adjusted Current Tax Levy(2)	Percent of Adjusted to Certified Levy	Adopted Budget(1)	Percent of Budget to Certified Levy
2008	94,882,238	91,661,509	96.61%	93,933,416	99.00%
2009	99,750,053	97,785,702	98.03%	98,752,552	99.00%
2010	96,376,001	94,707,159	98.27%	95,412,241	99.00%
2011	97,411,005	96,450,762	99.01%	96,436,895	99.00%
2012	98,959,048	99,091,917	100.13%	96,980,029	98.00%
2013	103,633,782	103,255,236	99.63%	101,820,191	98.25%
2014	108,196,947	107,208,410	99.09%	106,303,500	98.25%
2015	114,592,842	112,920,392	98.54%	112,587,467	98.25%
2016	125,776,671	124,403,343	98.91%	123,575,579	98.25%
2017	136,550,301	134,945,113	98.82%	134,160,671	98.25%

Note: Collections do not include penalty and interest on delinquent taxes.

Source:
(1) City of Irving Annual Adopted Budget Book
(2) Dallas County Tax Office Collection Report

Schedule 8

Amount Collected in FY(2)	Percent Collected to Certified Levy	Percent Collected to Adj Levy	Collections/ Adjustments in Subsequent Years	Total Collections/ Adjustments to date	
				Amount	Percent of Levy
91,075,349	95.99%	99.36%	527,670	91,603,019	99.94
96,727,868	96.97%	98.92%	969,520	97,697,388	99.91
93,475,233	96.99%	98.70%	1,132,048	94,607,281	99.89
95,606,978	98.15%	99.13%	736,933	96,343,911	99.89
98,382,976	99.42%	99.28%	586,169	98,969,145	99.88
102,610,971	99.01%	99.38%	468,304	103,079,275	99.83
106,545,104	98.47%	99.38%	372,251	106,917,355	99.73
112,291,984	97.99%	99.44%	259,849	112,551,833	99.67
123,696,710	98.35%	99.43%	248,697	123,945,407	99.63
134,248,640	98.31%	99.48%	N/A	134,248,640	99.48

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities									
Fiscal Year	General Obligation Bonds (1)	Special Revenue Bonds (1)	Revenue Bonds (2)	Notes Payable	Lease Payable	Total Governmental Activities	Water/ Sewer Revenue Bonds (1)	Water Supply Obligations	Municipal Drainage Revenue Bonds (1)	Total Business-Type Activities	Total Primary Government	Percentage of Effective Buying Income (2)	Per Capita (2)
2008	202,225,536	12,752,320	-	3,805,000	-	218,782,856	181,526,465	19,292,119	-	200,818,584	419,601,440	8.76%	1,996.68
2009	205,976,001	151,268,362	-	3,320,000	-	360,564,363	185,908,000	19,025,788	-	204,933,788	565,498,151	10.26%	2,664.30
2010	209,201,645	157,665,244	-	2,820,000	1,305,912	370,992,801	175,418,859	18,750,793	2,110,762	196,280,414	567,273,215	10.22%	2,654.53
2011	207,030,162	154,037,136	-	2,300,000	1,880,847	365,248,145	194,140,387	18,466,852	2,030,762	214,638,001	579,886,146	10.55%	2,672.66
2012	213,066,951	153,614,008	29,095,000	1,760,000	1,389,789	398,925,748	195,002,943	18,173,675	1,952,366	215,128,984	614,054,732	10.77%	2,782.32
2013	216,145,596	164,987,535	28,945,000	1,200,000	887,024	412,165,155	198,495,880	17,870,961	4,576,383	220,943,224	633,108,379	10.72%	2,867.99
2014	221,062,158	224,932,843	28,790,000	615,000	1,123,263	476,523,264	182,996,266	17,558,399	4,392,873	204,947,538	681,470,802	11.13%	3,001.68
2015	216,579,200	224,103,254	28,630,000	-	455,437	469,767,891	179,303,407	17,235,670	4,204,485	200,743,562	670,511,453	10.87%	2,932.44
2016	225,813,843	229,985,493	27,490,000	-	2,229,161	485,518,497	180,361,770	16,902,442	4,006,229	201,270,441	686,788,938	10.55%	2,972.60
2017	238,072,700	259,742,151	26,295,000	-	5,667,267	529,777,118	185,412,837	16,558,375	3,808,108	205,779,320	735,556,437	10.58%	3,133.89

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Net of premiums
(2) See the schedule 14 on Demographic and Economic Statistics for Effective Buying Income and population data.

Ratios of Net General Bonded Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Taxable Assessed Value (2)	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property	Net General Bonded Debt Per Capita
2008	210,150	17,172,274,747	202,225,536	6,636,508	195,589,028	1.14%	930.71
2009	212,250	18,206,358,651	205,976,001	4,644,823	201,331,178	1.11%	948.56
2010	213,700	17,827,599,240	209,201,645	6,696,558	202,505,087	1.14%	947.61
2011	216,970	17,076,314,590	207,030,162	7,310,659	199,719,503	1.17%	920.49
2012	220,699	16,706,465,788	213,066,951	8,114,949	204,952,002	1.23%	928.65
2013	220,750	17,355,331,481	216,145,596	8,518,968	207,626,628	1.20%	940.55
2014	227,030	18,074,999,485	221,062,158	8,154,486	212,907,672	1.18%	937.80
2015	228,653	19,288,730,521	216,579,200	8,208,138	208,371,062	1.08%	911.30
2016	231,040	21,170,959,615	225,813,843	8,262,713	217,551,130	1.03%	941.62
2017	234,710	22,984,396,772	238,072,700	9,931,310	228,141,390	0.99%	972.01

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: (1) Population estimates provided by the North Central Texas Council of Governments

(2) Dallas Central Appraisal District

CITY OF IRVING, TEXAS **Schedule 11**

Computation of Direct and Overlapping Debt
September 30, 2017
(Unaudited)

Jurisdiction	Net Debt Outstanding Amount	Net Debt Outstanding As of	Percent Applicable to City of Irving (1)	Amount applicable to City of Irving
Carrollton-Farmers Branch ISD	$ 211,775	9/30/2017	32.56%	68,953,940
Coppell ISD	274,501,084	9/30/2017	30.09%	82,597,376
Dallas County	199,545,000	9/30/2017	10.81%	21,570,815
Dallas County Community College District	263,140,000	9/30/2017	10.81%	28,445,434
Dallas County Hospital District	703,770,000	9/30/2017	10.81%	76,077,537
Dallas County Utility Reclamation Dist.	208,550,000	9/30/2017	96.82%	201,918,110
Dallas County Schools	40,330,000	9/30/2017	10.81%	4,359,673
Grand Prairie ISD	521,444,498	9/30/2017	4.36%	22,734,980
Grapevine-Colleyville ISD	438,049,452	9/30/2017	10.38%	45,469,533
Irving Flood Control District #1	5,755,000	9/30/2017	91.73%	5,279,062
Irving Flood Control District #3	215,000	9/30/2017	93.46%	200,939
Irving ISD	446,870,000	9/30/2017	93.16%	416,304,092
Dallas County Flood Control District #1	25,775,000	9/30/2017	85.72%	22,094,330
Total Net Overlapping Debt				996,005,821
City of Irving Direct Debt (2)	529,777,118	9/30/2017	100.00%	529,777,118
Total direct and overlapping debt				$ 1,525,782,939

** Actual Valuation before Exemptions

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.
Source: Hilltop Securities and Municipal Advisory Council of Texas

(2) Amount represents outstanding GO bonds net of premiums, Special Revenue Bonds net of premiums, Revenue bonds and Capital leases payable reflected in the Governmental Activities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Irving. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin
September 30, 2017
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution states in part:

> "...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

As a home rule city, the City of Irving is not limited by law in the amount of debt it may issue. The City's Charter (Article 5, Section 2) states:

> "The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Irving now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individual or corporation of not exceeding a total of one dollar and fifty cents ($1.50) on the One Hundred Dollars ($100) assessed valuation of said property."

The tax rate for fiscal 2017 was established at $.5941 per $100 of assessed valuation with an assessment ratio of approximately 85.1%. The assessment ratio of 85.1% is attributable to old age, disability and homestead exemptions aggregating 5.2% and agricultural tax abatement and other tax-exempt property aggregating 9.2%.

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended September	Gross Revenue (1)	Operating Expense (2)	Pension Expense (3)	Net Available Revenue	Average Annual Debt Service (4)	Times Coverage (5) / (6)	Maximum Annual Debt Service (4)	Times Coverage (5) / (6)
				WATER AND SEWER BONDS				
2008	74,451,292	50,089,602	NA	24,361,690	12,595,313	1.93 / NA	17,536,229	1.39 / NA
2009	76,854,060	50,304,204	NA	26,549,856	12,732,594	2.09 / NA	18,511,491	1.43 / NA
2010	75,762,173	52,034,519	NA	23,727,654	12,435,135	1.91 / NA	18,511,491	1.28 / NA
2011	85,541,196	48,800,685	NA	36,740,511	12,753,787	2.88 / NA	20,271,009	1.81 / NA
2012	84,497,101	46,904,560	NA	37,592,541	12,317,126	3.05 / NA	20,691,016	1.82 / NA
2013	85,308,445	50,249,928	NA	35,058,517	12,551,322	2.79 / NA	21,956,960	1.60 / NA
2014	82,520,011	55,046,968	NA	27,473,043	12,056,504	2.28 / NA	21,956,960	1.25 / NA
2015	84,947,278	61,870,294	3,298,895	26,375,879	11,189,219	2.36 / 2.06	21,559,468	1.22 / 1.07
2016	92,741,269	62,500,876	891,179	31,131,572	11,035,695	2.82 / 2.74	22,353,936	1.39 / 1.35
2017	107,483,122	65,125,207	1,211,612	43,569,527	11,254,766	3.87 / 3.76	23,239,207	1.87 / 1.82
				MUNICIPAL DRAINAGE BONDS (7)				
2010	5,221,112	4,538,442	NA	682,670	153,092	4.46 / NA	155,893	4.38 / NA
2011	5,252,845	4,130,626	NA	1,122,219	153,070	7.33 / NA	155,893	7.20 / NA
2012	5,247,869	4,032,971	NA	1,214,898	153,135	7.93 / NA	155,893	7.79 / NA
2013	5,255,163	4,122,266	NA	1,132,897	325,286	3.48 / NA	353,036	3.21 / NA
2014	5,534,199	4,324,107	NA	1,210,092	323,995	3.73 / NA	353,036	3.43 / NA
2015	5,244,045	5,378,281	733,000	598,764	322,709	1.86 / -0.42	353,036	1.70 / -0.38
2016	5,242,440	4,361,804	99,020	979,656	320,925	3.05 / 2.74	350,705	2.79 / 2.51
2017	5,274,449	4,335,750	134,624	1,073,323	319,217	3.36 / 2.94	350,705	3.06 / 2.68

Notes:
(1) Gross Revenue includes both receipts of pro rata and investment income as defined in revenue bond ordinances.
(2) As defined in revenue bond ordinances, excludes depreciation and debt service expense.
(3) GASB 68 implemented in FY15 requires the recognition of pension expense based on actuarial valuations. Pension expense is reflected in personnel services in financials and is broken out separately in this schedule for computation of revenue times coverage.
(4) As defined in revenue bond ordinances, average annual principal and interest payment, and maximum annual principal and interest of all bonds outstanding at end of fiscal year.
(5) Before the issuance of parity debt, bond covenants typically require a revenue coverage of 1.25 times the average annual debt service and 1.10 times maximum annual debt service. Net Available Revenues used in this revenue times coverage calculation does not include pension expense.
(6) Net Available Revenues used in this revenue times coverage calculation includes pension expense.
(7) Initial Municipal Drainage revenue bonded debt issued in Fiscal Year 2010.

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Effective Buying Income (EBI) (in thousands of dollars) (2)	Per Capita Income (8)	Median Household EBI (3)	Number of House-holds (3)	Median Age (4)	School Enrollment (5)	Unemploy-ment Rate (6)
2008	210,150	4,788,688	22,787	44,956	88,463	30	33,233	5.1%
2009	212,250	5,510,859	25,964	46,574	89,292	32	46,255	6.8%
2010	213,700	5,548,507	25,964	47,007	91,128	32	52,812	8.0%
2011	216,970	5,494,548	25,324	47,269	91,367	31	45,992	7.7%
2012	220,699	5,700,876	25,831	47,266	91,694	31	57,889	5.8%
2013	220,750	5,905,946	26,754	48,005	92,452	31	56,525	5.4%
2014	227,030	6,122,999	26,970	49,407	93,311	31	54,869	5.1%
2015	228,653	6,166,771	26,970	50,810	83,099	32	53,582	3.6%
2016	231,040	6,508,166	28,169	50,942	82,817	32	53,876	3.7%
2017	234,710	6,953,988	29,628	61,362	84,684	32	58,099	3.2%

Sources: (1) Official City Estimates, Census, and North Central Texas Council of Governments
(2) Calculated by multiplying population by per capita income divided by 1,000
(3) North Central Texas Council of Governments
(4) U. S. Census Bureau, 2000 Census * Median Age only available during census years
(5) Irving I. S. D., North Lake Community College and University of Dallas
(6) TAMU Real Estate Data Center; Tracer - August 2014
(7) en.wikipedia.org, and dallastx.real-estate.com
(8) Texas Hometown Locator

IRVING
TEXAS

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2017 (2)				2008 (1)		
Employer	Employees	Rank	Percent of Total City Employment	Employer	Employees	Rank	Percent of Total City Employment
Citigroup, Inc	7,500	1	3.01%	Verizon	6,500	1	5.41%
Verizon Communications	3,260	2	1.31%	Citigroup, Inc.	6,430	2	5.35%
Irving Mall (WP Glimcher)	2,100	3	0.84%	Citicorp Credit Company	3,795	3	3.16%
DFW International Airport	1,700	4	0.68%	Nokia	2,500	4	2.08%
Allstate Insurance	1,650	5	0.66%	Central Freight Lines	2,000	5	1.66%
Microsoft Corp	1,351	6	0.54%	Abbott Laboratories	1,500	6	1.25%
Neiman Marcus Direct	1,339	7	0.54%	Aegis Communications	1,500	7	1.25%
Health Management Systems (HMS)	1,299	8	0.52%	Baylor Medical Center	1,500	8	1.25%
Zale Corporation	1,250	9	0.51%	First Horizon Home Loans	1,500	9	1.25%
Aegis Communications	1,200	10	0.48%	Accenture	1,400	10	1.16%
Total	22,649		9.09%		28,625		23.82%

Source: (1) North Central Texas Council of Governments & Texas Workforce Commission
(2) Greater Irving - Las Colinas Chamber of Commerce

CITY OF IRVING, TEXAS

Full-time Equivalent City Government Employees
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
By Functions					
General Government	222.00	220.00	196.00	189.00	170.00
Police & Code Enforcement	576.00	623.00	623.00	619.00	620.00
Fire	318.00	318.00	318.00	318.00	318.00
Environmental Services	91.00	106.00	106.00	104.00	104.00
Parks and Recreation	312.00	321.00	339.00	350.00	353.00
Library Services	116.00	115.00	113.00	113.00	113.00
Court Services	41.00	42.00	41.00	41.00	41.00
Community Development	119.00	80.00	38.00	73.00	83.00
Public Works	319.00	292.00	359.00	375.00	349.00
Community Services	102.00	77.00	79.00	75.00	86.00
Total Employees by Function	2,216.00	2,194.00	2,212.00	2,257.00	2,237.00
By Departments					
City Secretary's Office	12.00	12.00	12.00	11.00	11.00
City Manager's Office	11.00	9.00	5.00	5.00	4.00
Police & Code Enforcement	576.00	623.00	623.00	616.00	620.00
Fire	318.00	318.00	318.00	318.00	318.00
Public Health and Env. Services	91.00	106.00	106.00	104.00	104.00
Parks and Recreation	316.00	321.00	379.00	350.00	353.00
Finance	26.00	26.00	20.00	34.00	38.00
Inspections	38.00	36.00	28.00	27.00	31.00
Human Resources	29.00	27.00	24.00	14.00	9.00
Municipal Court Services	41.00	42.00	41.00	41.00	41.00
Library Services	116.00	115.00	113.00	113.00	113.00
Planning and Development	0.00	4.00	10.00	13.00	6.00
City Attorney	17.00	17.00	17.00	17.00	17.00
Public Works	324.00	292.00	332.00	375.00	375.00
General Services	83.00	87.00	21.00	39.00	19.00
Information Technology	44.00	42.00	39.00	42.00	46.00
Community Affairs	73.00	36.00	33.00	30.00	24.00
Housing and Human Services	11.00	11.00	13.00	13.00	13.00
Irving Convention and Visitors Bureau	40.00	40.00	46.00	46.00	46.00
Irving Arts Center	50.00	30.00	32.00	49.00	49.00
Total Employees by Department	2,216.00	2,194.00	2,212.00	2,257.00	2,237.00
By Fund					
General	1,842.50	1,844.00	1,764.00	1,792.00	1,771.00
Water and Sewer	166.00	163.00	168.00	165.00	160.00
Solid Waste Services	0.00	0.00	90.00	89.00	89.00
Lake Chapman	0.00	0.00	0.00	0.00	0.00
Garage	31.00	28.00	19.00	19.00	19.00
Grants	15.00	14.00	18.00	16.00	16.00
Hotel Occupancy Tax	93.00	74.00	81.00	98.00	98.00
Municipal Court Funds	3.50	1.00	1.00	1.00	1.00
Tax Increment Financing	0.00	1.00	0.00	0.00	0.00
Recreation Centers	34.00	34.00	35.00	41.00	41.00
Municipal Drainage Utility	31.00	35.00	36.00	36.00	42.00
Total Employees by Fund	2,216.00	2,194.00	2,212.00	2,257.00	2,237.00

Source: Current and prior years City of Irving Annual Operating Budget documents

Fiscal Year				
2013	2014	2015	2016	2017
163.00	158.00	204.00	198.00	199.00
614.00	626.00	606.00	608.00	614.00
318.00	318.00	369.00	369.00	369.00
110.00	114.00	116.00	116.00	116.00
330.00	357.00	371.00	371.00	372.00
113.00	107.00	102.00	102.00	102.00
42.00	42.00	37.00	37.00	37.00
93.00	92.00	89.00	89.00	89.00
382.00	377.00	320.00	322.00	324.00
74.00	72.00	97.00	97.00	99.00
2,239.00	2,263.00	2,311.00	2,309.00	2,321.00
10.00	10.00	9.00	9.00	9.00
11.00	16.00	20.00	20.00	20.00
614.00	626.00	612.00	608.00	614.00
318.00	318.00	369.00	369.00	369.00
110.00	114.00	116.00	116.00	116.00
330.00	357.00	371.00	371.00	372.00
22.00	34.00	29.00	29.00	29.00
29.00	31.00	31.00	31.00	31.00
18.00	15.00	15.00	15.00	17.00
42.00	42.00	37.00	37.00	37.00
113.00	107.00	102.00	102.00	102.00
18.00	9.00	9.00	9.00	9.00
18.00	17.00	17.00	17.00	17.00
382.00	377.00	320.00	322.00	324.00
45.00	33.00	73.00	73.00	73.00
39.00	39.00	35.00	35.00	33.00
33.00	30.00	33.00	33.00	33.00
11.00	11.00	11.00	11.00	11.00
46.00	46.00	43.00	43.00	43.00
30.00	31.00	59.00	59.00	62.00
2,239.00	2,263.00	2,311.00	2,309.00	2,321.00
1,767.00	1,800.00	1,867.00	1,864.00	1,872.00
161.00	157.00	156.00	157.00	160.00
93.00	97.00	97.00	97.00	97.00
0.00	0.00	0.00	0.00	0.00
25.00	26.00	27.00	27.00	27.00
12.00	12.00	18.00	19.00	19.00
79.00	80.00	105.00	105.00	109.00
1.00	0.00	0.00	0.00	1.00
0.00	0.00	0.00	0.00	0.00
49.00	50.00	0.00	0.00	0.00
52.00	41.00	41.00	40.00	36.00
2,239.00	2,263.00	2,311.00	2,309.00	2,321.00

CITY OF IRVING, TEXAS

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Functions					
Police					
Reported Index Crimes	13,868	9,181	8,595	7,598	6,827
Arrests (Juvenile and Adult)	17,368	14,515	14,515	12,586	12,564
Fire					
Responses (Fire and Ambulance)	28,950	31,400	31,400	32,946	20,262
Inspections	9,500	9,300	9,916	11,728	13,136
Environmental Services					
Tonnage Collected by Sanitation Crews	52,000	50,000	50,000	64,421	62,607
Annual Tons Recycled	2,500	2,500	2,500	12,395	12,229
Health Classes, Events, Presentations	85	85	85	185	237
Animals Handled by Shelter	8,000	8,400	8,000	6,500	6,146
Parks and Recreation					
Customer Svc Rating	97.00%	95.00%	97.00%	97.00%	98.00%
Rec./Athletic/Aquatic Program Participation	269,000	275,500	360,500	530,973	604,014
Park Elements Certified	94.00%	95.00%	95.00%	95.00%	95.00%
Library Services					
Library Visitors	1,020,927	1,051,555	1,031,136	1,100,000	959,181
Library Program Attendance	85,024	87,575	85,146	71,732	55,154
Court Services					
Traffic Violations Filed with Court	81,000	73,788	73,788	72,262	70,902
Community Development					
Subdivision Plats Filed	95	58	37	47	41
Building Inspection Plans Reviewed	4,500	4,917	4,077	4,822	6,385
Building Permits Issued	15,500	14,931	14,294	16,552	15,684
Zoning Cases Filed	75	56	59	48	70
Public Works					
Street Repair: Tons of Asphalt/Crew Hour	3.00	3.00	3.00	3.00	3.10
In House Design and Contract Admin.	$ 13,975,000	$ 11,000,000	$ 11,000,000	$ 8,800,000	$ 20,900,000
Traffic Signals Maintained (City Maintained)	189	189	143	203	206
Gallons of Water Pumped (000s)	16,210,000	16,000,000	16,000,000	13,555,730	11,941,810
Drinking Water Samples	2,700	2,700	2,700	2,271	1,821
Wastewater Stoppages Cleared	275	250	250	937	971
Community Services					
Neighborhood Round Table Attendance	200	225	265	222	275
Partnership Fund Projects Completed	20	22	22	21	18
Arts Center Visual Art Exhibits	24	24	24	24	23
Arts Center Theater Performances	261	269	290	267	232

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Fiscal Year				
2013	2014	2015	2016	2017
6,833	6,705	6,584	6,936	6,884
11,710	10,264	8,035	7,448	7,193
21,043	23,495	24,948	26,169	25,761
12,315	14,064	16,502	14,046	15,500
68,172	55,415	47,775	58,113	68,811
12,298	10,570	3,147	3,242	13,361
229	169	397	154	9
7,829	7,706	8,062	7,819	7,480
98.00%	99.00%	99.00%	98.00%	99.00%
675,356	637,203	684,115	685,503	613,921
95.00%	95.00%	100.00%	100.00%	100.00%
868,821	787,615	808,299	868,688	856,566
67,083	68,574	68,722	75,502	80,326
68,473	48,088	50,462	41,018	46,244
75	67	88	69	57
5,285	5,087	5,224	6,651	5,933
14,844	12,300	13,143	14,017	14,726
54	84	87	107	101
3.10	3.10	3.00	3.00	3.00
$ 16,323,440	$ 13,061,144	$ 36,545,971	$ 26,226,590	$ 27,345,156
206	206	206	206	206
12,879,440	12,412,954	11,467,400	12,424,100	13,689,570
2,605	2,432	2,265	2,842	3,300
952	1,055	1,202	950	811
250	271	198	144	145
22	22	20	9	4
23	27	18	24	25
186	217	519	545	510

CITY OF IRVING, TEXAS

Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Functions					
Police					
Police Vehicles	233	238	216	199	253
Fire					
Fire Fighting Units	24	24	26	26	22
Ambulances	12	12	12	12	12
Parks and Recreation					
Developed Park Acreage	1,451	1,451	1,451	1,451	1,451
Number of Parks	59	60	81	81	81
Public Works					
Miles of Streets	725	725	725	725	850
City Maintained Street Lighting	1,250	1,250	1,243	1,243	1,243
Water Main Miles	733	733	733	688	708
Fire Hydrants	5,559	5,558	5,558	5,558	5,548
Sewer System Miles	741	741	1,051	630	658
Meters in Service	43,757	43,757	43,311	43,311	44,675

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Fiscal Year				
2013	2014	2015	2016	2017
341	264	244	267	267
22	22	15	15	17
12	12	8	9	10
1,796	1,796	1,662	1,668	1,668
81	81	81	81	81
850	850	850	850	550
1,243	1,442	1,442	1,442	1,600
699	702	710	715	716
5,654	5,715	5,654	5,831	5,952
645	650	656	659	658
45,230	45,764	44,000	46,966	47,774

IRVING
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